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NATIONAL FOOD Situation

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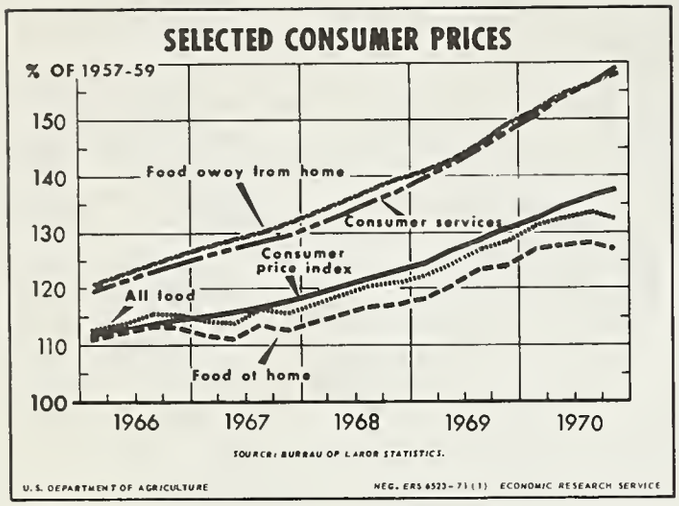

Figure 1

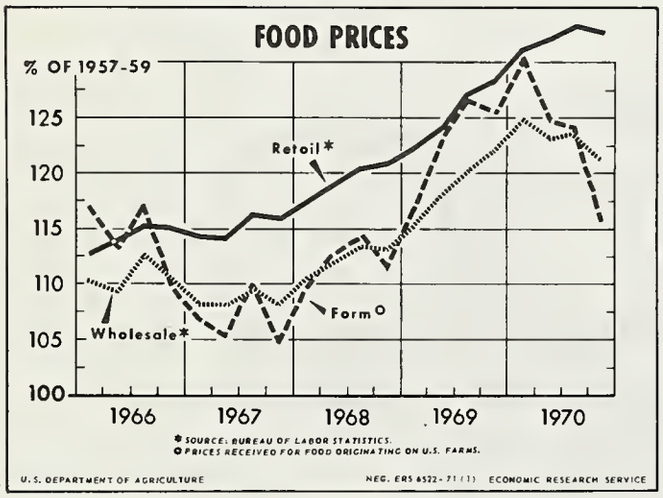

Figure 2

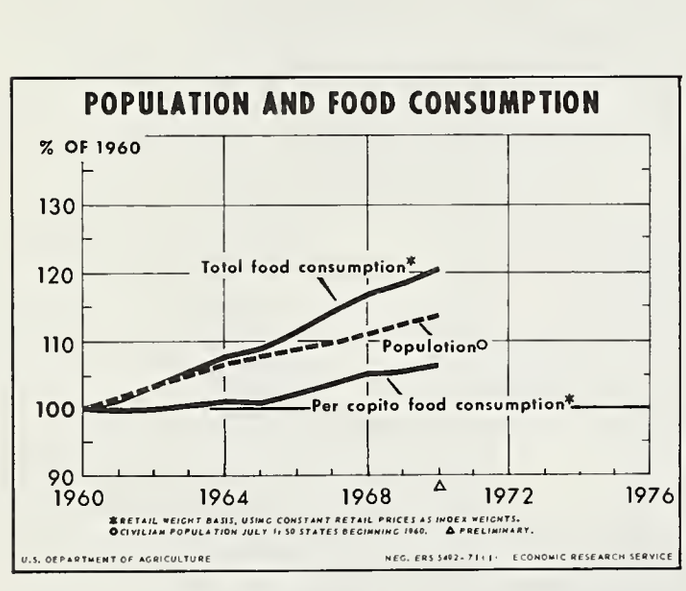

Figure 3

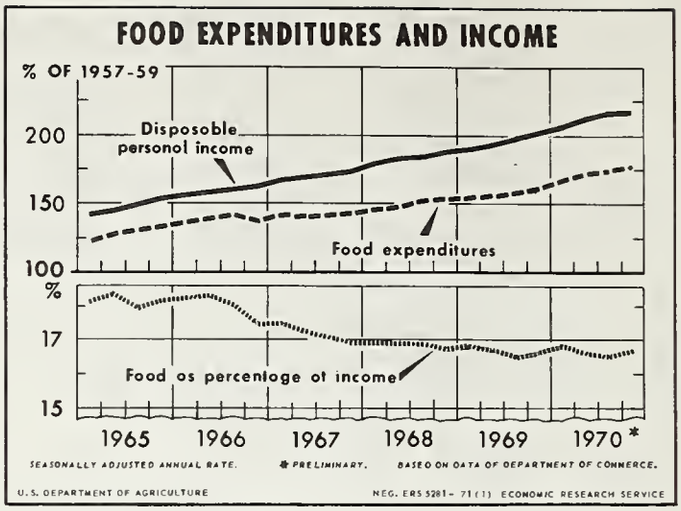

Figure 4

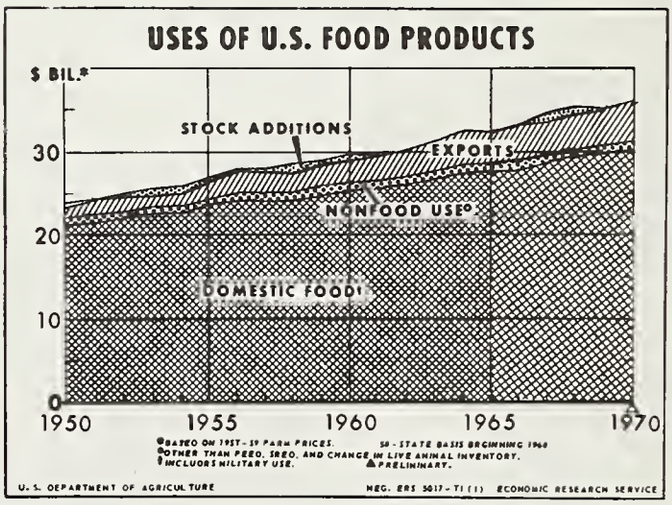

Figure 5

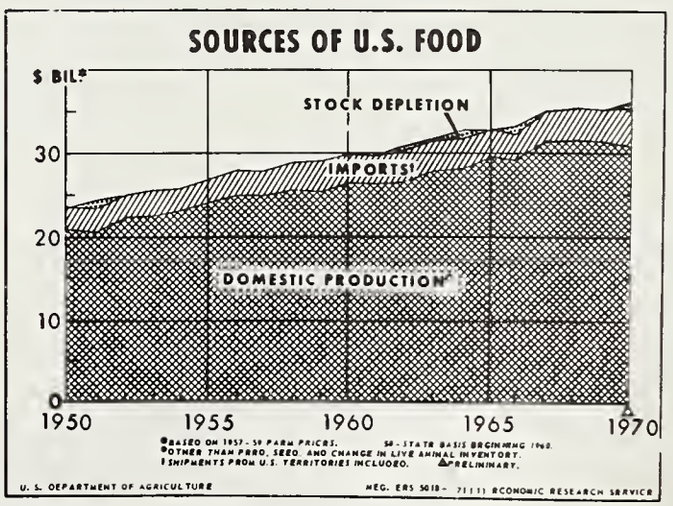

Figure 6

NATIONAL FOOD SITUATION

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SUMMARY

The rise of food prices in grocery stores this year is expected to be much less than in 1970. Prices likely will move up through the first 3 quarters of the year, reflecting some upward pressures as well as seasonal influences. However, they will likely level off in the closing months of the year as seasonally large supplies of food come on the market. The food price index, including food at home and away from home, could average 2 or 3 percent higher in 1971. Grocery store prices may average only 1 to 2 percent higher in 1971 compared with a 5 percent increase last year. Prices in eating places will continue to rise but perhaps less than the 7½ percent increase in 1970.

Retail store prices may average lower than in 1970 for pork, eggs, poultry, potatoes, and some vegetables. Higher prices are indicated for fish, dairy products, cereal products, sugar, and processed vegetables.

Marketing charges will average higher in 1971 but the rise may fall short of the unusually large increase in 1970. However, lower farm prices of food products probably will offset part of the wider margin. Farm prices were 1 percent higher in 1970 than in 1969.

Retail prices of most food groups went up in 1970, with coffee, fish, meat, and several other products rising more than 5 percent. Prices of poultry and eggs were about 1 percent lower last year.

Another increase in per capita consumption forecast for 1971 will push up food use around 1 percent from a year earlier. Animal products again will provide a major part of the increase. Per capita consumption will likely increase for pork, cheese, turkeys, and some processed fruits and vegetables. Lower consumption is in prospect for veal, lamb, and some dairy products.

During the first half of the year, consumption of livestock products likely will run higher than during the same period last year, but later in the year could average about the same as a year earlier.

Per capita food consumption increased again in 1970 with animal products accounting for most of the gain. Chicken and cheese were the leaders among the animal products, while apples, frozen juices, vegetable fats and oils, and sugar increased most among crop foods.

Consumer expenditures for food will likely rise more slowly in 1971. Gains in economic activity, population, food consumption, and disposable incomes will be tempered by smaller increases in prices.

As the rise in food spending moderates and income continues to rise, the proportion of disposable income spent by consumers for food may resume the downward trend of the past decade. It averaged 16.7 percent in 1970, the same as in 1969, but below the 20 percent of 1960.

Net utilization of farm food commodities in 1970 rose 3 percent from 1969. Use increased less than half of 1 percent in 1969. A 20 percent gain in exports and a 2

percent increase in domestic food use accounted for the gain. Larger supplies of food products were due in part to a 5 percent rise in imports and a significant reduction in stocks.

In 1971, annual utilization of farm food commodities is expected to increase slightly, particularly for livestock products. Overall domestic production may be higher, but imports may change little from 1970 levels.

Change in Reference Base

In accordance with the directive of the Office of Management and Budget, the per capita food consumption indexes and the supply-utilization indexes now relate to a new reference base (1967=100). To provide users with a continuous series, we are publishing the revised food consumption indexes for all years, 1909-70 (see table 4). The supply-utilization indexes (table 11) are shown only for 1964-70, but earlier data will be published at a later date. Data for 1969 and 1970 reflect current revisions as well as the change in reference base. The new indexes do not include revised price weights which will be incorporated later when the necessary data become available.

Wholesale and retail price indexes (tables 12 and 13) are shown on the 1957-59 base since the Bureau of Labor Statistics has not published the revised indexes yet. But to provide readers with easy comparisons with other data, we have converted the recent wholesale and retail price indexes to the new base in table 1.

Users of other data can change them to the 1967 base by dividing the old indexes (1957-59=100) by the comparable 1967 index.

FOOD PRICES

Food store prices fell late in 1970

Prices of food in grocery stores declined 1 percent in the fourth quarter of 1970 (table 1). Although the decline from the third quarter was about in line with the usual seasonal decrease, it was the first quarterly decrease since late in 1967. The fourth quarter average was still 2½ percent higher than in the same quarter of 1969, largely because of the sharp increases early in 1970.

The decline in food store prices in the fourth quarter was a sharp contrast to the nearly 2 percent increase in prices of other items. The Consumer Price Index for items other than food was nearly 6½ percent higher than in the same quarter last year. Prices of services were up 8 percent, continuing the rapid increases of recent years (figure 1).

Retail prices of meat, poultry, eggs, and potatoes were lower in the third than in the fourth quarter, though many of the declines were seasonal. Fish, fats and oils, and many other processed product prices were higher than in the third quarter.

Meanwhile, prices in restaurants and other eating places increased about 1 percent in the October-December quarter, one of the smallest in the past 3 years.

Prices in 1970 up sharply

The food price index including food eaten at home and away, averaged 5½ percent higher in 1970 than in 1969, the largest increase since 1951, and it surpassed the large increases in 1966 and 1969. However, the higher annual average conceals other important developments in food prices during 1970.

Within the index, the food-at-home component averaged about 5 percent higher while prices of food eaten away-from-home went up 7½ percent. Since restaurant meals and snacks account for about a fifth of all food, the increase in that component contributed significantly to the overall increase in the food price index.

Farm prices of food commodities increased less than 1 percent in 1970 and contributed about 5 percent of the increase in food store prices (figure 2). Charges for marketing the food rose about 7 percent and accounted for most of the increase. Higher prices of fish and some imported items also contributed.

Price increases over year earlier levels for food at home weakened progressively during the year. At the start of the year prices were nearly 7½ percent higher than in the first quarter of 1969. As the year progressed, they crept upward reaching a seasonal peak in the third quarter while the year-to-year advances became smaller. Then 1 percent decline in the fourth quarter left retail store prices about the same as in the first quarter of 1970.

During the first 3 quarters of the year the away-from-home component of the food price index increased with prices 7½ to 8 percent above the same periods in 1969. Although the rate of increase eased some in the fourth quarter, prices of restaurant meals were still more than 6 percent higher than in the fourth quarter of 1969. These sharp advances reflect higher wages and other operating costs as well as the 3½ percent higher wholesale prices of food in 1970.

The deceleration in price rises during the second half of 1970 was attributed mainly to increases in supplies of food, particularly meats and poultry. Continuing inflationary pressures early in the year overshadowed the

Table 1.--Consumer, wholesale, and farm price indexes, 1969-70
(1967=100)

Item	1969	1970					Percent change 1969-70
		I	II	III	IV	Year	
							Pct.
Retail prices: 1/							
All goods & services (CPI)	109.8	113.9	115.7	117.0	118.6	116.3	5.9
All items less food	110.1	113.9	116.0	117.4	119.6	116.7	6.0
All food	108.9	113.9	114.9	115.8	115.2	115.0	5.6
Food at home	108.2	113.2	113.7	114.4	113.4	113.7	5.1
Food away from home	111.6	116.9	119.3	121.0	122.4	119.9	7.4
Wholesale prices: 1/							
All commodities	106.5	109.6	110.1	110.8	111.0	110.4	3.7
Industrial commodities	106.0	108.6	109.6	110.2	111.4	110.0	3.8
Farm products	108.8	113.8	111.5	111.3	107.3	111.0	2.0
Processed food	108.7	113.3	113.4	114.3	112.0	113.2	4.1
All food 2/	109.6	114.9	113.4	114.0	111.7	113.5	3.6
Prices received by farmers 3/							
Crops	97	97	101	103	101	101	4.1
Livestock and products	117	125	118	117	110	118	.9
Average	108	114	111	111	106	110	1.9
Market basket of U.S. farm foods: 4/							
Retail cost	108.7	113.4	113.6	114.3	112.4	113.4	4.3
Farm-retail spread	104.5	107.8	111.5	113.0	115.0	111.8	7.0
Farm value	115.4	122.4	116.9	116.5	108.2	116.0	.5

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all process foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

effects of these supply increases as disposable income increased at a near-record rate. However, by the end of the year incomes rose at a considerably slower rate, thus relieving some of the demand pressures.

The higher food store price index in 1970 reflected increases for nearly every product group (table 13). Slight decreases in poultry and egg prices were the only exceptions to the pattern. Increases among individual foods covered a wide range, with coffee (20 percent), fresh potatoes (10 percent), fats and oils (10 percent), and fish (10 percent) leading the way. Pork prices averaged 6 percent higher for the year, but in December were about 10 percent below the level of December 1969. This change was much less than the slide in the equivalent farm price of hogs, which went down more than 40 percent between December 1969 and December 1970. Thus, the farm-retail spread widened from about 32.2 cents per retail pound in December 1969 to 41.2 cents last December.

Changes in retail food prices, over 1969 levels

Item	Annual 1970 average	Fourth quarter, 1970
Meat	5.5	-0.3
Poultry	-0.5	-4.7
Fish	10.0	11.5
Dairy products	4.8	4.5
Eggs	-1.0	-17.6
Fats and oils	7.2	10.2
Fruits and vegetables	3.7	1.2
Sugar and sweets	5.5	6.1
Cereal and bakery products	5.5	6.1
Beverages	12.2	13.9
Other preparations	3.9	3.7
Total food at home	5.1	2.5
Food away from home	7.6	6.0

Outlook for 1971

Food prices probably will average higher again in 1971 though the increase will be much less than in 1970. Prices likely will move up through the first 3 quarters of the year, reflecting some inflationary pressures as well as the normal seasonal increases in late spring and summer months. Prices may level off in the fourth quarter as seasonally large supplies of food come on the market. For all of 1971 food prices may average 2 to 3 percent higher, with the food-at-home component up 1 to 2 percent and the prices of food away from home up 5 to 6 percent. The smaller boost in food prices in 1971 will reflect smaller increases in income and larger food supplies.

The price of beef in retail stores in the first half of 1971 may change little from 1970 levels. Pork prices may drift a little lower and then perhaps strengthen some later in the year. Egg prices also are expected to average below the high prices in early 1970. Chicken may be lower priced in the first half of the year partly because of the large supplies of pork. Higher prices are in prospect for many of the highly processed products as manufacturing and distributing costs continue to increase along with many other items in the economy. Prices of most citrus products may hold around current levels which reflect much larger supplies even though the freeze in mid-January reduced production from earlier estimates. Fish prices may increase again this year though the rise is expected to be somewhat smaller than the 10 percent increase in 1970.

Prospects for higher retail prices of food reflect expected increases in marketing costs which will be partly offset by lower average farm prices. Marketing charges probably will rise less than last year, but more than the average of 2 to 3 percent during the last 10 years.

Wholesale prices

Wholesale prices of food also increased in 1970, but the 3.6 percent rise was significantly less than the retail price increase. Wholesale prices peaked in the first quarter, then eased and finally dropped 2 percent from the third to the final quarter to a level slightly under that of the same quarter of 1969. Thus, wholesale prices turned down sooner and fell further than retail prices. In December wholesale prices declined 1 percent, however preliminary data indicate an increase of 1 percent in January (table 12).

Wholesale egg prices declined in 1970, the only food group which showed a significant decrease for all of 1970. However, by year-end they were joined by the fresh fruits and vegetables, meats, and poultry groups in showing prices lower than a year earlier.

FOOD SPENDING AND INCOME

Expenditures for food in 1970 totaled about $114 billion, an increase of 8½ percent over 1969 (table 2). This was the biggest advance in expenditures since 1951 and was mostly attributed to price increases; expenditures adjusted for price changes rose only about 3 percent, reflecting higher consumption rates and a larger population.

Expenditures for food at home and away from home each gained about the same. Real expenditures were up 3.3 percent and 1.1 percent respectively.

The largest quarter-to-quarter increase in food expenditures took place in the first quarter of 1970, up 3.3 percent from the fourth quarter 1969. The rate of expansion then steadily decreased to a third quarter advance of less than 1 percent. Preliminary fourth quarter estimates, however, indicate a pickup in the increase to 1.7 percent. Little of the fourth quarter increase was caused by higher prices since the seasonally adjusted food price index rose only slightly in the fourth quarter, a reversal of the third quarter drop.

Table 2.—Expenditures for food in relation to disposable income, 1960 and 1965-70[1]

Year	Disposable personal income	Personal consumption expenditures for food[2]					
		For use at home[3]		Away from home[4]		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.2	78.9	13.3	20.7	3.5	99.6	16.8
1969	631.6	83.6	13.3	21.7	3.4	105.3	16.7
I	612.0	82.0	13.4	21.0	3.4	103.0	16.8
II	623.0	82.6	13.3	21.8	3.5	104.4	16.8
III	640.6	84.1	13.1	21.7	3.4	105.8	16.5
IV	650.6	85.9	13.2	22.3	3.4	108.2	16.6
1970[5]	684.7	90.8	13.3	23.5	3.4	114.3	16.7
I	665.3	88.9	13.4	22.9	3.4	111.8	16.8
II	683.6	90.4	13.2	23.5	3.5	113.9	16.7
III	693.0	91.3	13.2	23.5	3.4	114.8	16.6
IV[5]	696.9	92.7	13.3	24.1	3.5	116.8	16.8

[1] Quarterly data are seasonally adjusted annual rates. [2] Derived from data of Department of Commerce, *Survey of Current Business* and *The National Income and Product Accounts of the United States, 1929-65*, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with *1963 Census of Business* Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. [3] Includes food consumed on farms where produced. [4] Includes food served to the military and employees of hospitals, prisons, and food service establishments. [5] Preliminary.

Increase in food expenditures over previous quarter

1970 Quarter	Current dollars	1958 dollars
	Percent	
I	3.3	1.2
II	1.8	1.1
III	.8	.7
IV	1.7	1.4
Annual average	8.6	3.0

Disposable personal income in 1970 rose almost 8.5 percent to $684.7 billion. Personal income showed an increasing rate of expansion through the third quarter with a marked reduction in the rate of expansion in the fourth quarter, partly because of the auto strike. The share of income allocated to food averaged 16.7 percent in 1970, the same as in 1969, but below the 20 percent in 1960.

Outlook for food expenditures

As economic activity picks up from the fourth quarter's low level during 1971, disposable income is expected to rise and contribute to continued strong demand for food. In addition, the usual population increase and larger government expenditures on food stamps and other food programs will add to the demand. As a result food spending will continue up in 1971, but larger food supplies may hold the rate of advance below that in 1970. Increases in the first and second quarters probably will be small but the pace may pick up in the second half of the year.

The proportion of disposable income going for food expenditures held steady in 1969 and 1970 but the downward trend will likely resume in 1971.

Total personal consumption expenditures

Total personal consumption expenditures increased 6.8 percent over 1969, somewhat less than food expenditures. Durable goods expenditures were down sharply in the fourth quarter from the third and for the year averaged ½ percent lower. However, expenditures for services went up almost 9 percent last year, partly because of higher rates of expansion in the third and fourth quarters. Outlays for nondurable goods were 7½ percent higher in 1970, despite smaller increases late in the year.

Retail sales

Retail sales of food stores increased 7 percent in 1970 and those of eating and drinking places 7½ percent. Food store sales include some soaps, paper products, housewares, toiletries and a wide variety of less traditional nonfoods which have become a more

important part of the sales in the past several years. Food store sales rose sharply in the first quarter and the pace slackened in the second and third quarter.

Quarterly increases in retail sales
(Seasonally adjusted)

1970 Quarter	Total food group	Eating and drinking places
	Percent	
I	3.6	2.5
II	1.6	3.5
III	.5	.4

U.S. retail sales of all items advanced in 1970 at about the same rate as in 1969. All of the increase was due to higher prices; deflated sales declined 1 percent. Although first quarter 1970 sales were encouraging, performance in the 3 subsequent quarters failed to maintain the pace.

Growing importance of the Food Stamp Program

Participation in the Food Stamp Program increased substantially in 1970. First half participation averaged 52 percent more than during the previous 6 months with the addition of nearly 2 million participants. Participation continued to increase in the second half of 1970 and by December nearly 9½ million people were receiving stamps compared with 3½ million in the same month of 1969.

The total value of food stamps increased even faster, tripling between November 1969 and November last year; there was a 5-fold advance in the value of bonus stamps. These large increases in participation and value of stamps occurred as a result of program modifications implemented early in 1970. For most families, the total value of stamps received was increased and the number of dollars a family was required to pay for stamps was reduced.

The importance of food stamps in consumer food expenditures has risen sharply and by the third quarter of 1970 amounted to nearly 2 percent of the total food market.

The value of food stamps may continue to increase in 1971, but at a much slower rate than in 1970, mainly because of extension of the program to a few counties not now participating in any family food assistance programs, conversion from commodity distribution to food stamps in some areas, and increased participation by eligible families. The increases in unemployment in the second half of 1970 added to the number of eligible families; when unemployment recedes food stamp participation may slacken.

USDA also administers the Commodity Distribution, School Lunch, Breakfast, Special Milk and Special Food Service programs. The total value of these programs together with food stamps represents nearly 2½ percent of the consumer food market. The school breakfast program, still in the pilot stage, was increased substantially in 1970.

In 1971 the operation of the commodity distribution program for schools and the child nutrition programs are expected to remain the same, but the distribution of money under these programs is expected to increase as they expand to include more schools. The commodity distribution program probably will include a greater number of foods to assist users in attaining a more nutritious diet.

PER CAPITA FOOD CONSUMPTION

Large increase late last year

In the fourth quarter of 1970, per capita consumption of all livestock food products advanced 3 percent over third quarter levels to a new record, but three-fourths of the rise was seasonal (table 3). After seasonal adjustment, per capita consumption of all livestock food products moved up strongly throughout 1970 and in the fourth quarter was 2 percent higher than a year earlier.

Quarterly per capita consumption, livestock products seasonally adjusted, 1969-70

	I	II	III	Iv	Average
	Index, 1967=100				
1969	100.7	100.7	101.4	101.3	101.0
1970	100.5	102.1	102.8	103.5	102.3

Per capita red meat consumption jumped nearly 4½ percent in the last quarter of 1970, compared with the usual 1½ percent seasonal rise and ended the year 5 percent above a year earlier (figure 7). However, poultry consumption averaged only a little higher in the fourth quarter of 1970 than in the closing quarter of 1969, a sharp contrast to the 8 to 10 percent year-to-year run-up during the first 3 quarters. Even though consumption of poultry meat increased 8 percent in the closing months of 1970 it was considerably less than the normal seasonal rise of around 14 percent. Egg consumption was a little larger than during the short supply and high price situation a year earlier. Use of dairy products averaged lower than year-ago levels, continuing the downtrend of recent years.

Table 3.--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-70 1/
(1967=100)

Year and quarter		Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
					Excluding butter	Including butter		
1966	I	92.5	75.6	97.4	103.7	104.4	106.7	94.9
	II	94.6	87.9	94.5	103.4	103.2	95.5	96.5
	III	97.0	102.1	95.5	102.2	101.2	93.3	98.8
	IV	100.1	117.0	100.8	99.2	99.7	102.5	101.7
1967	I	100.5	80.8	100.1	99.9	100.4	103.6	98.4
	II	98.6	94.0	97.2	103.4	102.8	93.6	99.3
	III	100.0	104.9	99.1	99.6	99.1	97.2	100.2
	IV	100.7	120.1	103.4	97.1	97.7	105.7	102.0
1968	I	102.2	84.5	102.5	97.8	98.4	106.1	99.1
	II	99.7	91.4	97.6	104.4	104.2	99.3	100.2
	III	103.1	102.6	96.6	102.3	101.7	97.2	102.1
	IV	105.9	116.8	99.6	99.5	100.0	107.5	104.7
1969	I	102.9	85.4	99.2	96.9	97.5	100.9	98.9
	II	99.5	96.7	96.7	102.7	102.0	88.4	99.6
	III	102.5	107.2	96.6	100.7	100.2	94.6	101.7
	IV	104.0	123.8	99.0	98.9	98.9	96.8	103.9
1970 3/	I	101.5	94.6	98.3	96.2	96.4	95.1	98.7
	II	101.0	104.9	95.5	102.8	101.7	83.9	101.0
	III	104.6	115.8	96.6	99.4	99.0	88.1	103.1
	IV	109.2	125.0	99.7	97.5	97.6	98.1	106.2

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968. To convert indexes for earlier years to 1967=100, multiply by the following factors: Meat, .90744; poultry, .73260; eggs,, .11013; dairy products, exclude butter, .10504; include butter, .10776; animal fats, .13316; total livestock products, .96061.
2/ Excludes fish and honey. 3/ Preliminary.

Table 4 .--Per capita food consumption

(Index

Year	Meat, poultry, fish				Eggs	Dairy products		Fats and oils				Fruits			Melons 3/
									Including butter						
	Meat 2/	Poultry	Fish	Total		Including butter	Excluding butter	Excluding butter	Animal	Vegetable	Total	Fresh	Processed	Total	
1909	92.6	34.4	102.4	81.4	86.6	95.6	77.4	40.7	225.2	27.9	94.3	172.0	13.8	84.1	155.3
1910	87.4	36.0	104.4	78.3	90.6	92.8	73.5	41.2	231.3	28.6	96.9	170.8	13.3	83.2	151.4
1911	90.7	36.6	105.3	80.8	97.6	91.1	71.2	39.9	232.9	27.8	96.9	193.8	14.8	94.3	147.4
1912	87.1	35.1	106.2	77.9	92.1	97.0	80.9	38.8	210.0	27.0	88.7	196.3	16.3	96.2	151.4
1913	85.7	34.3	108.0	76.9	89.8	95.8	79.6	42.6	205.9	33.2	91.5	166.5	14.6	82.1	147.4
1914	83.4	34.1	109.9	75.3	87.3	93.5	76.5	50.2	212.0	42.0	99.6	200.7	17.3	98.7	134.7
1915	80.6	34.1	104.6	73.0	92.6	93.8	76.4	47.7	218.0	37.6	98.6	190.4	20.1	95.9	138.8
1916	83.9	33.0	102.5	74.8	88.7	93.5	75.9	44.8	220.6	33.2	96.4	166.1	21.8	86.0	138.8
1917	80.9	31.7	101.4	72.4	83.5	93.3	78.3	43.9	198.9	34.1	89.7	161.0	24.8	85.5	138.8
1918	84.8	31.9	101.4	75.2	84.1	98.2	85.8	54.8	189.2	44.7	93.7	150.2	21.1	78.7	142.8
1919	83.8	34.0	108.5	75.5	89.8	95.9	81.6	51.9	196.8	42.9	95.1	153.4	29.4	84.8	146.1
1920	81.5	32.9	110.7	73.7	88.7	97.7	84.2	44.1	195.2	32.1	87.2	177.7	28.6	95.1	163.7
1921	79.9	32.2	97.9	71.6	88.7	99.9	84.6	40.8	207.6	29.2	89.3	141.5	24.0	76.5	172.2
1922	82.3	33.9	106.2	74.2	93.3	101.4	84.8	48.9	225.4	34.9	99.1	181.7	25.2	95.0	174.8
1923	87.8	35.1	100.4	78.1	96.7	101.3	83.4	50.9	236.1	35.7	103.3	179.3	25.1	93.8	149.2
1924	87.7	33.3	103.4	77.8	96.0	102.5	85.0	48.8	236.4	33.0	101.5	183.7	26.9	96.8	167.0
1925	83.5	34.4	104.3	75.0	94.1	103.9	86.1	54.2	231.6	42.9	106.7	166.4	30.8	91.4	164.8
1926	82.2	34.3	107.1	74.3	100.0	104.1	85.9	55.1	234.4	44.2	108.6	195.5	36.0	107.3	169.3
1927	80.1	36.6	113.9	73.9	101.2	104.0	85.9	53.4	234.4	41.6	106.6	160.5	33.3	90.2	155.0
1928	78.0	35.2	114.0	72.1	100.0	103.3	86.2	55.8	229.3	43.5	106.3	186.3	33.5	101.8	156.4
1929	77.9	34.7	111.2	71.6	99.0	105.2	88.2	58.8	226.9	48.3	108.9	174.8	31.9	95.8	161.3
1930	76.9	37.8	95.1	70.7	98.0	103.9	86.9	59.3	226.6	49.0	109.1	166.4	32.9	92.5	160.8
1931	77.9	34.1	84.2	69.7	98.5	103.3	85.2	55.9	237.9	42.8	108.8	195.5	28.2	102.7	165.0
1932	77.9	35.7	78.8	69.8	92.6	102.0	83.5	51.9	241.4	37.1	106.1	155.8	29.2	85.7	146.1
1933	80.9	36.8	82.0	72.6	87.9	101.6	83.4	53.3	237.0	39.6	106.3	151.7	30.8	84.9	138.1
1934	85.5	34.0	87.9	75.4	85.5	101.4	82.6	56.4	238.6	44.7	110.3	154.4	31.8	86.6	141.4
1935	70.2	32.8	100.3	65.0	82.9	102.4	85.3	60.0	217.3	54.5	109.8	178.8	36.6	100.1	144.8
1936	77.7	35.2	112.3	71.7	85.5	103.6	87.6	63.7	216.5	55.9	110.5	165.8	42.5	97.8	142.1
1937	75.5	35.2	100.7	69.4	91.3	105.1	89.4	63.3	211.6	57.2	109.7	191.6	39.6	107.6	150.2
1938	75.7	33.3	104.0	69.3	92.1	104.7	89.2	63.8	212.5	56.9	109.9	174.7	43.5	102.3	142.5
1939	79.3	36.8	102.0	72.6	92.6	107.2	90.7	63.9	227.2	53.9	112.7	188.8	47.4	110.9	138.9
1940	84.5	37.9	99.6	76.5	94.3	107.2	91.4	63.2	228.0	50.6	110.8	176.3	53.5	108.8	147.0
1941	85.7	41.0	105.1	78.4	92.1	108.3	94.1	68.5	218.0	56.9	111.7	185.5	49.7	110.7	136.2
1942	84.8	45.9	81.8	77.7	93.1	114.4	100.7	63.6	214.1	52.4	107.3	157.3	48.5	97.6	123.5
1943	88.7	57.0	73.4	82.9	101.8	109.3	101.3	64.0	172.6	53.0	93.8	141.0	42.3	86.7	121.6
1944	93.8	51.0	81.5	85.4	104.0	111.3	103.4	62.0	170.4	52.1	92.5	167.5	42.4	98.4	146.3
1945	88.3	56.0	91.5	83.5	117.7	115.0	109.0	60.0	157.0	51.1	87.4	166.1	53.2	104.0	143.7
1946	92.2	51.6	98.3	85.5	111.1	120.3	115.3	62.5	152.3	54.4	88.1	165.2	72.7	114.9	146.8
1947	92.6	47.1	93.8	84.4	114.3	115.7	109.2	65.7	166.7	55.2	93.4	171.9	62.5	112.1	136.4
1948	86.6	46.2	98.6	80.1	116.7	110.2	105.3	69.2	153.7	59.2	91.8	159.3	64.6	107.7	131.9
1949	86.0	49.5	99.8	80.6	115.7	110.2	104.4	69.5	155.9	61.6	94.1	154.9	67.7	107.3	129.0
1950	86.0	53.6	108.3	82.3	118.5	110.3	104.2	75.9	162.2	67.4	100.2	138.0	73.4	103.0	120.6
1951	81.9	56.7	103.2	79.9	120.0	108.6	104.1	69.9	150.2	59.8	91.0	144.2	72.6	105.3	122.3
1952	86.7	58.3	102.4	83.5	120.0	108.6	105.6	76.9	140.1	69.0	93.8	138.2	82.0	107.9	118.3
1953	92.4	58.1	100.8	87.6	116.7	107.5	104.5	77.9	138.2	70.5	94.3	130.3	84.3	105.6	125.2
1954	91.7	61.3	101.7	87.8	115.7	108.5	104.9	81.2	137.4	77.2	98.6	124.6	85.0	104.3	126.7
1955	95.9	57.6	94.9	89.5	114.3	109.8	106.2	81.4	142.1	75.6	99.0	117.6	91.7	103.8	127.3
1956	97.7	64.6	96.0	92.1	113.7	110.2	106.9	80.7	141.4	73.3	97.4	118.3	93.4	105.1	119.6
1957	92.5	68.7	94.4	88.7	111.9	108.5	105.7	79.6	134.9	73.1	94.9	115.8	96.4	105.5	107.6
1958	87.8	74.2	95.7	86.1	109.5	107.5	104.6	81.8	133.6	75.9	96.2	112.8	90.4	100.9	112.8
1959	91.9	76.8	102.8	90.0	109.0	107.2	104.8	85.5	131.0	79.4	97.6	116.7	93.1	104.1	109.7
1960	92.3	74.5	95.3	89.5	103.6	105.7	103.7	84.9	122.6	80.7	95.6	111.3	95.3	102.8	112.2
1961	91.7	82.0	99.1	90.6	101.4	104.3	102.3	84.7	125.3	78.5	95.0	107.4	92.1	99.3	109.0
1962	92.7	80.7	98.2	91.1	101.0	104.8	102.8	86.2	123.2	81.4	96.2	102.1	95.6	98.7	104.2
1963	95.7	82.0	99.3	93.6	98.2	104.1	102.6	89.5	118.5	85.1	96.8	92.5	87.7	90.0	108.1
1964	98.5	83.8	97.1	95.9	98.5	104.1	102.7	92.6	115.7	90.3	99.2	97.8	84.6	90.9	102.0
1965	93.9	89.2	101.0	93.6	97.0	103.4	102.5	93.7	111.1	91.9	98.6	100.5	89.7	94.7	102.9
1966	96.1	95.7	100.0	96.3	97.0	102.0	102.0	100.7	99.5	101.8	100.9	100.5	90.5	95.2	96.0
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.8	98.9	101.7	102.1	99.0	101.0	100.9	103.8	102.5	104.0	103.4	98.0	96.7	97.3	100.8
1969	102.2	103.3	102.4	102.4	97.8	99.7	99.8	106.5	95.2	110.1	104.8	98.4	103.5	101.1	105.6
1970	104.0	110.1	104.3	105.1	97.6	98.7	99.0	110.3	91.3	115.6	107.0	98.8	105.2	102.2	105.4

1/ Quantities of individual foods, measured in pounds equivalent to the form sold at retail food stores (approximately equal to those in table 6), combined into indexes using average retail prices in 1947-49 through 1954 and prices in 1957-59 beginning with 1955 (table 3); indexes linked at 1955. Civilian consumption only, beginning 1941. Includes Alaska and Hawaii beginning 1960.

2/ Includes edible offal and all pork.

3/ Data for melons, fresh vegetables, potatoes, sweetpotatoes, and dry beans and peas include consumption from home garden produce, table 25.

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1967=100)

Fruits, melons, baby food	Vegetables: Fresh 3/	Vegetables: Processed: Canned	Vegetables: Processed: Frozen	Vegetables: Processed: Total	Vegetables: Total 3/	Vege-tables soup, baby food	Potatoes and sweet-potatoes 3/	Beans, peas, nuts, soya products 3/	Flour and cereal products 4/	Sugars and other sweeteners 5/	Coffee, tea, cocoa	All foods: Animal products	All foods: Crop products 6/	All foods: Total	Year
85.3	122.8	28.2	---	20.4	84.0	73.9	144.4	83.3	154.3	51.1	66.3	86.1	83.2	84.7	09
84.3	122.3	27.0	---	19.4	83.3	73.4	150.9	80.7	153.6	52.3	64.6	83.8	83.3	83.3	10
94.3	120.0	29.2	---	21.1	82.5	72.9	123.9	80.7	150.2	53.7	62.3	85.3	82.6	84.0	11
96.3	122.3	34.8	---	25.1	85.5	75.7	137.2	80.7	148.3	52.6	74.2	84.7	84.6	84.5	12
83.1	117.4	36.7	---	26.5	83.0	73.7	142.2	81.1	147.2	55.5	62.6	83.4	82.6	82.8	13
97.8	121.2	35.7	---	25.7	85.1	75.7	121.5	76.7	146.4	54.9	64.6	81.6	84.9	82.7	14
95.5	119.3	33.4	---	24.1	83.3	74.0	140.9	77.7	145.3	52.6	73.3	80.9	84.7	82.3	15
86.3	120.3	30.3	---	21.9	83.0	73.9	115.4	74.7	145.3	52.4	78.8	81.7	81.3	81.3	16
85.8	120.3	35.5	---	25.6	84.5	75.2	121.4	94.4	141.1	53.3	87.9	79.4	83.3	80.7	17
79.6	122.3	42.2	---	30.4	87.6	78.0	136.6	82.9	135.3	53.5	76.5	82.8	83.0	82.6	18
85.4	119.3	40.5	---	29.2	85.2	76.0	126.6	96.8	138.9	62.6	76.7	82.6	85.3	83.5	19
95.9	127.2	34.2	---	24.7	88.3	78.7	118.0	78.3	133.1	60.4	78.1	82.0	83.9	82.6	20
78.9	123.0	31.6	---	22.8	85.0	75.9	125.5	81.5	125.3	60.2	77.8	81.4	79.6	80.3	21
96.3	125.6	32.3	---	23.3	86.8	78.1	119.3	79.4	132.3	71.3	78.9	84.1	86.0	84.7	22
94.0	122.3	40.2	---	29.0	87.0	78.9	133.5	90.0	132.5	63.0	86.0	86.9	86.4	86.5	23
97.5	125.1	42.7	---	30.8	89.5	80.5	113.6	94.4	130.6	75.7	81.9	86.9	87.7	87.1	24
92.5	126.3	47.7	---	34.4	91.7	82.0	115.7	92.2	133.7	77.1	74.3	85.2	88.6	86.4	25
107.4	126.2	49.3	---	35.5	92.0	82.4	101.5	91.9	136.3	78.0	83.2	85.3	91.4	87.6	26
90.9	125.2	41.5	---	30.0	89.3	80.2	112.8	99.2	136.3	77.6	80.1	85.1	88.7	86.5	27
101.7	125.6	42.3	---	30.5	89.7	80.9	111.8	98.9	136.0	78.8	78.2	83.9	90.8	86.5	28
96.3	130.9	48.2	---	34.7	94.7	85.6	120.5	94.3	135.3	73.4	81.4	84.0	91.2	86.7	29
93.4	134.6	53.0	---	38.2	98.4	88.3	100.4	92.8	134.9	81.8	81.0	82.9	91.6	86.2	30
103.0	131.4	47.2	---	34.0	94.8	84.7	105.0	100.6	132.5	75.1	84.3	82.3	90.9	85.6	31
86.4	135.2	40.6	---	29.3	95.1	84.9	111.0	90.9	132.0	71.8	81.5	81.6	86.7	83.5	32
85.0	133.2	41.2	---	29.7	94.2	83.9	106.2	87.5	127.8	72.2	85.0	82.7	85.8	83.7	33
86.9	133.1	43.2	---	31.1	94.7	85.1	109.1	96.1	121.1	71.8	79.9	84.1	86.2	84.8	34
99.7	131.4	47.9	---	34.4	95.0	85.8	113.5	103.1	122.8	78.8	87.9	77.3	91.9	83.0	35
97.4	132.6	49.8	---	35.9	96.3	87.2	99.9	106.1	125.4	80.0	90.5	82.1	92.1	86.0	36
106.7	132.0	52.6	4.1	39.1	97.2	88.7	99.1	102.9	121.5	77.9	87.2	81.6	92.8	86.0	37
101.7	133.9	56.3	4.1	41.8	99.3	90.8	100.7	108.9	123.0	77.1	94.3	81.5	93.3	86.2	38
109.4	140.3	58.2	5.1	43.4	104.0	95.7	95.2	110.9	122.0	82.6	96.9	84.6	96.0	89.1	39
108.0	139.8	62.8	6.2	47.1	105.1	97.1	91.8	112.2	123.7	82.6	100.3	87.4	96.4	90.9	40
109.1	138.4	66.8	7.2	50.2	105.6	97.6	97.0	109.3	124.5	89.9	104.0	88.7	99.1	92.7	41
96.8	143.4	71.2	11.4	54.6	110.3	102.2	98.6	114.5	125.5	79.5	86.0	89.8	94.9	91.7	42
86.7	149.0	66.2	7.2	49.8	112.0	102.5	99.3	104.6	139.0	73.8	80.8	92.4	94.4	93.0	43
99.0	157.3	62.5	16.5	49.8	117.0	108.3	104.9	109.0	127.2	80.9	95.2	94.5	98.6	96.0	44
104.4	161.2	75.7	19.6	60.4	123.6	114.7	93.5	111.2	134.4	66.8	99.3	95.5	99.5	96.8	45
114.8	149.1	85.6	20.6	67.8	119.3	111.7	93.2	105.8	132.1	71.0	121.2	97.6	102.0	99.2	46
111.8	136.3	75.7	26.8	62.3	109.3	102.8	91.6	99.0	118.5	90.2	107.5	96.1	99.3	97.2	47
107.7	133.8	69.4	30.9	59.0	106.2	101.3	75.9	104.4	117.0	86.1	111.8	92.2	97.3	94.1	48
107.3	126.4	72.3	30.9	61.0	102.7	98.1	79.0	101.3	116.5	87.4	114.1	92.3	97.1	94.1	49
102.8	122.2	77.7	35.1	66.3	102.4	98.1	76.2	111.9	115.4	97.3	102.2	93.8	98.1	95.3	50
105.1	119.3	78.0	44.4	69.0	101.8	97.9	76.3	101.5	118.2	90.5	104.2	92.0	96.5	93.6	51
107.4	116.1	78.6	54.7	72.4	101.4	98.2	68.7	100.9	116.1	93.8	104.7	94.2	97.7	95.4	52
105.8	113.9	80.9	55.7	74.4	100.2	97.7	72.7	97.9	113.5	93.5	106.4	96.1	97.2	96.4	53
104.8	111.5	78.3	60.8	74.0	98.6	96.5	72.5	96.0	111.2	95.4	94.9	96.3	96.6	96.3	54
104.2	111.6	82.2	68.1	78.9	100.2	98.3	73.6	92.6	105.3	96.2	95.8	97.7	96.1	96.9	55
104.9	110.3	83.5	70.8	80.4	100.0	98.3	70.2	98.5	103.8	97.4	100.7	99.5	96.3	98.1	56
104.9	109.6	82.9	72.0	80.3	99.4	98.0	71.0	94.2	102.2	94.2	99.8	96.6	95.3	96.1	57
101.0	106.4	84.7	76.5	82.8	98.2	97.5	70.6	93.8	103.8	97.0	97.3	94.6	95.1	94.8	58
104.0	105.5	84.3	77.4	82.6	97.6	97.1	76.1	99.1	103.0	97.2	101.4	96.9	96.7	96.8	59
103.1	106.8	85.6	80.1	84.3	98.9	98.6	79.0	97.3	102.6	98.2	100.5	95.7	97.1	96.4	60
99.8	104.5	86.4	79.7	84.8	97.7	97.7	80.2	98.4	101.9	98.3	101.8	95.8	96.4	96.0	61
98.9	101.6	90.3	85.7	89.2	97.2	97.3	82.1	98.8	101.0	98.8	102.1	96.2	96.5	96.3	62
91.1	101.2	91.1	83.4	89.3	97.0	97.4	85.9	100.4	100.1	98.9	105.3	97.3	95.9	96.6	63
91.7	99.6	91.8	89.1	91.2	96.7	97.0	87.9	101.3	100.7	99.3	102.4	98.8	96.4	97.6	64
95.4	99.6	94.8	94.2	94.6	97.8	98.0	92.4	103.0	100.9	99.3	99.3	96.9	97.6	97.2	65
95.4	97.9	96.6	97.8	96.9	97.5	97.8	100.4	96.1	99.4	100.5	99.4	98.1	98.6	98.3	66
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	67
97.6	98.7	102.8	106.0	103.5	100.4	100.4	104.0	103.3	100.7	103.0	100.3	101.5	101.1	101.2	68
101.4	98.9	106.1	100.5	104.8	100.9	100.8	106.7	99.5	101.1	103.5	96.3	101.1	102.1	101.6	69
102.3	99.6	102.3	98.2	101.3	100.2	100.2	107.6	99.4	99.7	105.5	92.2	102.3	102.4	102.4	70

4/ Corn sugar and sirup are with sugars and other sweeteners.

5/ Excludes sugar used in production of canned and frozen fruit, and canned fruit juices, canned vegetables, and unskimmed sweetened condensed milk.

6/ Excludes spices and herbs.

Table 5 --Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1966-70 1/

Commodity	Average 1957-59	1966	1967	1968	1969	1970	1970 as percentage of 1969
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Percent
Meats (carcass weight)	156.6	170.5	177.8	182.7	182.0	185.5	102
Beef	82.1	104.0	106.2	109.4	110.5	113.4	103
Veal	7.1	4.5	3.8	3.6	3.3	2.9	88
Lamb and mutton	4.4	4.0	3.9	3.7	3.4	3.4	100
Pork (excluding lard)	63.0	58.0	63.9	66.0	64.8	65.8	102
Fish (edible weight)	10.5	10.8	10.8	11.0	11.1	11.3	102
Poultry products:							
Eggs (farm basis)--Number	356	313	323	320	316	315	100
Chicken (ready-to-cook)	27.5	36.0	37.1	37.4	39.0	42.2	108
Turkey (ready-to-cook)	6.0	7.8	8.6	7.9	8.3	8.3	100
Dairy products:							
Cheese	7.9	9.7	10.1	10.6	10.9	11.4	105
Condensed and evaporated milk	14.8	9.7	9.0	8.9	8.0	7.4	92
Fluid milk and cream (milk equivalent)	337	296	285	279	271	261	96
Ice cream (product weight)	18.4	18.1	17.8	18.3	17.9	17.7	99
Fats and oils--Total, fat content	45.3	49.6	49.2	51.0	51.8	53.1	103
Butter (actual weight)	8.2	5.7	5.5	5.6	5.4	5.2	96
Margarine (actual weight)	8.9	10.5	10.5	10.8	10.8	11.0	102
Lard	9.3	5.5	5.4	5.6	5.1	4.7	92
Shortening	11.4	15.9	15.9	16.2	17.0	17.8	105
Other edible fats and oils	10.8	15.1	15.1	16.0	16.7	17.6	105
Fruits:							
Fresh	95.5	81.2	80.7	78.0	78.7	79.4	101
Citrus	34.0	29.0	31.5	26.2	28.2	28.3	100
Apples (commercial)	21.0	15.9	16.1	15.6	14.9	16.4	110
Other (excluding melons)	40.5	36.3	33.1	36.2	35.7	34.7	97
Processed:							
Canned fruit	22.4	22.8	22.5	22.6	24.4	24.5	100
Canned juice	13.5	11.6	11.7	12.2	14.6	13.9	95
Frozen (including juices)	8.6	8.1	10.1	9.3	9.3	9.9	106
Dried	3.3	3.0	2.8	2.8	2.9	2.8	97
Vegetables:							
Fresh 2/	104.1	95.8	97.8	98.4	98.1	98.7	101
Canned, excluding potatoes and sweetpotatoes	43.3	47.4	48.8	50.2	51.4	49.8	97
Frozen, excluding potatoes	6.6	8.8	9.0	9.6	9.1	9.0	99
Potatoes, fresh equivalent	106.9	113.3	111.1	115.3	117.1	118.1	101
Sweetpotatoes, fresh equivalent	8.3	6.3	5.8	5.7	6.1	5.6	92
Grains:							
Cornmeal and flour	7.4	6.9	7.2	7.3	7.4	7.4	100
Corn sirup	9.4	14.0	14.0	14.7	15.0	15.2	101
Corn sugar	3.6	4.5	4.6	4.7	4.8	4.8	100
Wheat flour 3/	120	111	112	112	112	111	99
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.3	7.5	7.8	8.3	7.4	89
Other:							
Coffee (green beans)	15.7	14.5	14.8	14.8	14.1	13.4	95
Tea	.58	.69	.69	.72	.73	.73	100
Cocoa beans	3.5	4.2	4.2	4.3	3.9	4.0	103
Peanuts (shelled)	4.6	5.5	5.7	5.8	5.9	6.0	102
Dry edible beans	7.7	6.3	6.9	6.3	6.8	6.1	90
Melons	25.1	21.9	22.3	22.3	23.0	23.1	100
Sugar (refined)	96.1	97.4	97.1	99.8	99.9	102.2	102
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Percent
Civilian population 4/	171.5	193.8	195.7	197.6	199.7	202.2	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice.

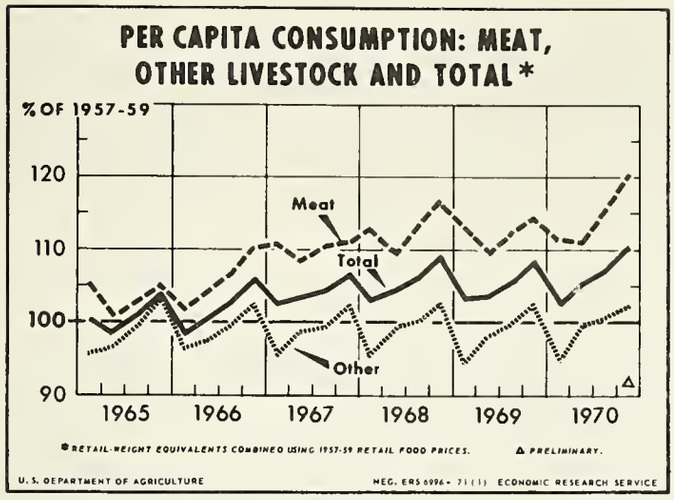

Figure 7

Consumption up again in 1970

For 1970 as a whole, the per capita food consumption index rose nearly 1 percent, with most of the advance accounted for by animal products (table 4). Gains were recorded for meat, poultry, fish, vegetable oils, processed potatoes, and sugar and sweeteners. Though egg consumption in the first half of 1970 was the lowest in recent years, annual per capita use matched that in 1969. There were declines for dairy products, animal fats, fresh potatoes, cereal products and coffee. A larger consumption index for fresh vegetables did not quite counterbalance a decline—the first since 1959—for processed vegetables. A slight increase for fresh fruits and a larger one for processed fruits brought all fruit consumption up 1 percent over the 1969 level.

Among individual food products the largest increases occurred for apples, chicken, frozen juices, cheese, and shortening (table 5). The biggest declines were evident for veal, rice, dry beans, sweetpotatoes, and canned milk.

Many of these changes in consumption reflected corresponding changes in production and marketing but increases in turkey, cheese, and fats and oils production exceeded increases in consumption (tables 6 and 7).

Other important changes included the rise in per capita red meat consumption to a record 185.5 pounds (carcass equivalent) in 1970, up 3 pounds from the previous high in 1968. Beef consumption of 113.4 pounds set a new record for the fifth consecutive year, and is now a third larger than a decade ago. Pork consumption averaged only a pound more than in 1969, with the first half total below and second half above the levels in corresponding periods of 1969.

Chicken consumption rose 3.2 pounds per person in 1970, the largest of the continuous advances since 1962. Broiler meat output was up sharply during the first 3 quarters of 1970 but by the end of the year was running slightly below year-earlier levels.

The milk equivalent of all dairy products consumed was 560 pounds per person in 1970, down about 1½ percent from year earlier levels, but consumption of American cheese, cottage cheese, and lowfat fluid milk rose.

Per capita consumption of fresh fruit increased only fractionally in 1970, but fresh apple consumption reached the highest level in 5 years.

A reduction in per capita supplies of canned fruit juices in 1970 was largely offset by the half pound increase for chilled citrus juices. In addition, per capita consumption of frozen juices, largely concentrated orange juice, increased over half a pound to a level approaching the 6.4-pound record of 1967.

Table 6.—Volume of farm marketings and home consumption[1]

(1967=100)

Item	1968	1969	1970 preliminary	Percentage change 1969 to 1970
				Percent
All farm commodities	102	102	103	1
Food marketing & home consumption	100	101	102	1
Food marketings	101	101	102	1
Total food livestock	100	100	103	3
Meat animals	102	101	103	2
Poultry and eggs	98	101	106	5
Dairy products	99	99	100	1
Total food crops	100	103	100	-3
Food grains	97	97	89	-8
Vegetables[2]	105	99	101	2
Fruit and nuts	95	114	110	-4
Sugar crops	114	118	114	-3
Home consumption	95	91	89	-2
Livestock	95	90	88	-2
Crops	96	92	91	-1
Nonfood marketings	107	104	106	2

[1] Quantities of farm products weighted by constant farm prices. Data on a 50—State basis. Data beginning 1910 reported in *Food Consumption, Prices and Expenditures,* Agric. Econ. Report No. 138, July 1968, p. 163, are on a 48—State basis. [2] Includes potatoes, dry edible beans, and melons.

Table 7.--Production of major food commodities, average 1957-59, annual 1967-70 1/

Commodity	Unit	Average 1957-59	1967	1968	1969	1970 preliminary 2/	1970 as percentage of 1969
Meats (carcass weight) - Total	Mil. lb.	26,612	34,238	35,279	35,334	36,283	103
Beef	Mil. lb.	13,704	20,219	20,880	21,158	21,736	103
Veal	Mil. lb.	1,240	792	734	673	599	89
Lamb and mutton	Mil. lb.	711	646	602	550	550	100
Pork (excluding lard)	Mil. lb.	10,957	12,581	13,063	12,953	13,398	103
Poultry and eggs 3/							
Eggs	Mil. doz.	5,475	5,836	5,773	5,744	5,815	101
Chicken (ready-to-cook)	Mil. lb.	4,880	7,527	7,580	8,059	8,850	110
Turkey (ready-to-cook)	Mil. lb.	1,065	1,883	1,620	1,618	1,780	110
Dairy products							
Total milk	Bil. lb.	123.3	118.8	117.2	116.2	116.9	101
Cheese 4/	Mil. lb.	1,396	1,919	1,938	1,986	2,190	110
Condensed and evaporated milk	Mil. lb.	2,789	1,886	1,800	1,801	1,580	88
Ice cream (product weight)	Mil. lb.	3,212	3,578	3,710	3,678	3,675	100
Fats and oils - Total fat content 5/	Mil. lb.	11,070	14,546	14,924	15,819	18,288	116
Butter (actual weight)	Mil. lb.	1,477	1,238	1,175	1,129	1,140	101
Lard 6/	Mil. lb.	2,584	2,076	2,062	1,904	1,920	101
Margarine (actual weight)	Mil. lb.	1,549	2,114	2,141	2,182	2,235	102
Shortening	Mil. lb.	2,022	3,226	3,312	3,481	3,685	106
Other edible fats and oils 7/	Mil. lb.	7,297	11,473	11,916	13,007	15,450	119
Fruits							
Fresh:							
Citrus	Mil. lb.	6,794	7,454	5,890	6,718	6,822	102
Apples (commercial)	Mil. lb.	3,859	3,168	3,189	3,714	3,600	97
Other (excluding melons)	Mil. lb.	4,069	3,052	3,789	3,906	3,595	92
Processed:							
Canned fruit	Mil. lb.	4,158	4,354	4,939	5,283	4,770	90
Canned fruit juices	Mil. lb.	2,688	2,781	2,458	3,001	2,994	100
Frozen (including juice)	Mil. lb.	1,556	2,136	1,693	1,961	2,126	108
Dried	Mil. lb.	696	687	825	786	715	91
Vegetables 8/							
Fresh 9/	Mil. lb.	19,881	21,784	21,837	21,736	21,873	101
Canned	Mil. lb.	7,694	10,692	11,689	9,476	9,771	103
Frozen	Mil. lb.	1,183	1,993	2,081	1,828	1,735	95
Potatoes and sweetpotatoes							
Potatoes	Mil. cwt.	252	305	294	312	325	104
Frozen potato products	Mil. lb.	287	1,491	1,736	2,048	2,350	115
Sweetpotatoes	Mil. cwt.	18.2	13.7	13.6	14.7	14.1	96
Grains							
Wheat	Mil. bu.	1,177	1,522	1,576	1,460	1,378	94
Rice, rough	Mil. cwt.	45.7	85.1	89.4	104.1	90.9	87
Corn, grain only	Mil. bu.	3,409	4,760	4,393	4,583	4,110	90
Other							
Dry edible beans 10/	Mil. lb.	1,782	1,518	1,739	1,889	1,738	92
Melons 9/	Mil. lb.	4,455	4,334	4,408	4,495	4,544	101
Sugar, raw basis	1,000 tons	11/2,732	5,294	5,628	5,482	5,880	107
Peanuts, farmers' stock 12/	Mil. lb.	1,591	2,473	2,543	2,523	2,987	118

1/ Calendar year basis except for fresh citrus fruit for which the season begins in the fall of the previous year; dried fruits on a pack year beginning year indicated; rice on a marketing year ending year indicated. 50-State basis beginning 1960. 2/ Based on the best available information but subject to revision in line with later data from the Crop Reporting Board. 3/ Includes an allowance for nonfarm production. 4/ Excludes full skim, cottage, pot, and baker's cheese. 5/ Includes butter, lard and "other edible fats and oils." 6/ Includes amount used in manufactured food and nonfood products. 7/ Includes cottonseed, peanut, soybean, corn, edible olive, and oleo oils; oleo stock, oleostearine, and edible tallow later processed into margarine, shortening, cooking and salad oils, etc., and nonfood items. 8/ Excludes potatoes and sweetpotatoes. 9/ Covers total commercial production for sale as fresh both for shipment to distant markets and for local markets; includes quantities not harvested. Excludes farm garden output for farm household use. 10/ Cleaned basis. Beginning 1959, excludes seed beans produced on contracted acreage. 11/ Excludes Hawaiian production. 12/ Beginning 1959 on a net-weight basis (cleaned and adjusted to standardized moisture content).

Per capita consumption of canned vegetables dropped 2 pounds from 1969, the first decline since 1964. Consumption of fresh potatoes continued to decrease as use of potato products expanded, and fresh sweetpotato consumption declined slightly to an all-time low of 4.1 pounds per person.

Outlook for 1971

Per capita consumption may increase again in 1971 at about the same rate as it did in 1970. Again animal products will be the major source of the increase. During the first 6 months consumption of livestock products likely will be larger than during the same period last year due mainly to more consumption of pork. In the closing months this year supplies could average lower than a year ago as unfavorable price-cost conditions facing producers slow the advance in livestock production.

Developments in 1971:

. . .Red meat supplies in the first half of the year may exceed those a year earlier by as much as 5 pounds per person, with pork contributing most of the increase.

. . .Broiler meat supplies may average slightly below the high first half rate last year. However, use may rise above year-earlier levels during the second half and the total for the year may differ little from 1970 consumption.

. . .Turkey consumption may average the same or slightly higher.

. . .Per capita egg consumption probably will be up slightly until mid-year, but then move lower.

. . .Total commercial supplies of milk and dairy products in 1971 are estimated slightly above year-earlier levels, but per capita supplies may be down about 1 percent. Milk marketings by farmers are expected to advance this year, but dairy product imports and beginning commercial stocks are estimated somewhat lower. However, supplies should be more than adequate for commercial demand.

. . .Per capita consumption of edible fats and oils may average the same to slightly higher than in 1970. Butter and lard consumption likely will decline again while margarine use is expected to remain unchanged. Shortening and salad and cooking oils consumption may rise in 1971.

The January 1 forecast of the 1970/71 citrus crop was 14 percent above last season and the highest on record with larger production in prospect for all kinds of citrus. Subfreezing weather in citrus areas of California and Arizona the first week of January and in citrus areas of Florida in the third week reduced the crop somewhat. The extent of damage in these areas has not been determined, but in Florida it appears to be heaviest in Florida West Coast and Interior areas; East Coast fruit was less affected.

Processed fruit consumption had been forecast to increase significantly in 1971, mostly because of the expected large citrus crop. Although consumption may not rise as much because of damage to the citrus crop the effects would be tempered by the very large carryin stocks of frozen concentrated orange juice.

Winter production of fresh vegetables had been running higher and prices lower than a year ago. However, the freeze in Florida on January 20 and 21 temporarily reduced crop prospects in several areas, and prices may rise closer to last winter's levels. Tomatoes, sweet corn, and other tender vegetables suffered the most severe damage. Potato supplies are record large, but winter production is 1 percent less than a year ago. Producers in the late-spring areas intend to plant 2 percent more acreage.

Canned and frozen vegetable supplies for the 1970/71 season are running moderately less than a year earlier, mainly because the somewhat larger canned pack was more than offset by a sharply reduced carryover.

SUGAR SITUATION

Per capita sugar consumption totaled about 102 pounds last year, 2 pounds more than in 1969. Perhaps half of the increase represents greater use of sugar-sweetened products which replaced artificially sweetened products withdrawn from the market after announcement of the cyclamate ban. The necessary buildup of stocks to service this market also contributed to the increase.

Sugar consumption has increased in recent years primarily because of rising use in commercially prepared foods and beverages, particularly in soft drinks (table 8). Moreover, the decline in consumer package sales has slowed. The increasing use of sugar in commercially prepared foods and beverages is reflected in rising deliveries of liquid sugar and bulk dry granulated sugar. Large package deliveries (50-pounds and over), though declining in recent years, increased in 1970. While the ban on cyclamates undoubtedly contributed to the 1970 increases, the first surge in sugar use came in 1968, more than a year before the ban became effective.

Table 8.--U.S. sweeteners: Selected supply and distribution data, for specified years.

Item	Unit	1950	1960	1965	1966	1967	1968	1969	1970 1/
Sugar:									
Sources of supply (raw value 2/):									
Beet sugar distribution	1,000 ton	1,749	2,165	3,025	3,024	2,824	3,085	3,216	3,577
Cane sugar:									
U.S. Mainland shipments	1,000 ton	522	619	1,099	1,100	1,169	1,204	1,169	1,308
Inshipments from Hawaii	1,000 ton	1,145	845	1,137	1,200	1,253	1,192	1,160	1,145
Inshipments from Puerto Rico	1,000 ton	1,053	896	830	711	705	504	341	352
Total U.S. grown cane sugar 3/	1,000 ton	2,730	2,366	3,070	3,017	3,127	2,900	2,670	2,805
Total U.S. grown sugar	1,000 ton	4,479	4,531	6,095	6,041	5,951	5,985	5,886	6,382
Imported cane sugar:									
Western Hemisphere	1,000 ton	3,337	3,814	2,071	2,638	2,811	3,327	3,219	3,339
Philippines	1,000 ton	474	1,155	1,178	1,186	1,123	1,124	1,124	1,299
Other countries	1,000 ton	---	26	576	490	499	515	506	540
Total imported sugar	1,000 ton	3,811	4,995	3,825	4,314	4,433	4,966	4,849	5,178
OVERALL TOTAL		8,290	9,526	9,920	10,355	10,384	10,951	10,735	11,560
Refined sugar deliveries: 4/									
By type of food use:									
Cereal and bakery products	1,000 ton	636	1,048	1,155	1,234	1,286	1,395	1,344	1,461
Confectionery products	1,000 ton	696	804	959	1,000	1,004	1,085	1,037	1,111
Processed foods 5/	1,000 ton	550	790	838	878	843	923	916	905
Dairy Products	1,000 ton	254	366	452	483	486	516	528	538
Other food uses 6/	1,000 ton	250	297	451	441	424	471	442	433
Total food use	1,000 ton	2,386	3,305	3,855	4,036	4,043	4,390	4,267	4,448
Use in beverages 7/	1,000 ton	752	1,148	1,560	1,740	1,785	2,025	2,100	2,296
Total industrial use	1,000 ton	3,138	4,453	5,415	5,776	5,828	6,415	6,367	6,744
Wholesalers	1,000 ton	3,038	2,530	2,302	2,284	2,177	2,208	2,061	2,185
Retailers	1,000 ton	1,172	1,223	1,192	1,201	1,188	1,224	1,193	1,295
Other nonindustrial	1,000 ton	116	153	218	187	229	187	191	188
Total nonindustrial use	1,000 ton	4,326	3,906	3,712	3,672	3,594	3,619	3,445	3,668
OVERALL TOTAL 4/	1,000 ton	7,464	8,359	9,127	9,448	9,422	10,034	9,812	10,412
By form of delivery:									
Liquid sugar 8/	1,000 ton	475	1,380	1,935	2,140	2,190	2,485	2,597	2,700
Bulk dry granulated	1,000 ton	100	1,146	2,064	2,244	2,346	2,607	2,604	2,834
Large packages(50 lb. and over)	1,000 ton	4,014	3,031	2,518	2,497	2,398	2,452	2,226	2,420
Total	1,000 ton	4,589	5,557	6,517	6,881	6,934	7,544	7,427	7,954
Consumer packages (less than 50 lb)	1,000 ton	2,876	2,866	2,665	2,642	2,554	2,562	2,457	2,526
OVERALL TOTAL 4/	1,000 ton	7,465	8,423	9,182	9,523	9,488	10,106	9,884	10,480
By Region of country:									
Northeast 9/	1,000 ton	2,733	2,788	2,841	2,893	2,893	2,978	2,937	3,094
South 10/	1,000 ton	1,662	2,056	2,108	2,147	2,117	2,238	2,262	2,332
North Central	1,000 ton	2,353	2,636	3,038	3,104	3,130	3,433	3,264	3,566
West 11/	1,000 ton	979	1,256	1,459	1,568	1,532	1,639	1,587	1,668
OVERALL TOTAL 4/	1,000 ton	7,727	8,736	9,446	9,712	9,672	10,288	10,050	10,660
Corn sweetener shipments 12/	1,000 ton	1,024	1,207	1,664	1,720	1,754	1,749	1,798	(1,850)
Noncaloric sweeteners:									
U.S. production	1,000 lb.	2,000	3,300	12,841	17,346	17,501	19,661	16,632	(6,600)
Imports:									
Saccharin	1,000 lb.	21	264	765	837	684	841	904	1,465
Cyclamate	1,000 lb.	---	118	442	43	8	40	47	---
Per capita consumption:									
Dextrose	lb.	4.5	3.7	4.5	4.5	4.6	4.7	4.8	4.8
Corn Sirup	lb.	9.2	10.1	13.6	14.0	14.0	14.7	15.0	15.2
Total corn sweeteners	lb.	13.7	13.8	18.1	18.5	18.6	19.4	19.8	20.0
Refined sugar	lb.	100.6	97.6	96.4	97.4	97.1	99.8	99.9	102.2
Total caloric sweeteners 13/	lb.	117.8	113.9	116.8	118.0	117.7	121.2	121.9	124.2
Saccharin--sugar sweetness equivalent 14/	lb.	2.9	1.9	4.1	4.5	4.8	5.0	5.3	(6.5)
Cyclamate--sugar sweetness equivalent 15/	lb.	---	.3	1.7	1.9	2.1	2.2	1.6	---
Total noncaloric sweeteners	lb.	2.9	2.2	5.8	6.4	6.9	7.2	6.9	(6.5)

1/ Estimated, based on 9 or 11 months of data for most items. Data in parentheses are forecasts. 2/ 107 tons of sugar, raw value, is equivalent to 100 tons of refined sugar. 3/ Total includes inshipments from Virgin Islands through 1966. 4/ Total deliveries by type of use and by form of delivery differ from total deliveries by region of country because of differences in scope of coverage. Deliveries by region generally account for over 99 percent of total U.S. deliveries. 5/ Primarily used in caned, bottled, and frozen fruits and vegetables, and jams, jellies, and preserves. 6/ Includes use in blended sirups in consumer containers and in meat curing as well as use in commercially prepared foods which specific type of use is not known at time of delivery. 7/ Largely for use in soft drinks. 8/ Sugar solids basis. 9/ Includes Delaware, Maryland, Virginia, West Virginia, and the District of Columbia. 10/ Excludes states listed in footnote 9. 11/ Includes Alaska and Hawaii beginning in 1960. 12/ Dry basis. 13/ Total includes other caloric sweeteners in addition to sugar and corn sweeteners. 14/ Assumes saccharin is 300 times as sweet as sugar. 15/ Assumes cyclamate use is 30 times as sweet as sugar; 1970 reflects the cyclamate consumption ban.

Sources: Sugar and corn sweetener data from Sugar Reports, published monthly by ASCS, U.S. Dept. of Agriculture. Noncaloric sweetener production data and cyclamate import data from Chemical Division, U.S. Tariff Commission (1970 level estimated by ERS). Saccharin import data from Bureau of the Census. Per capita consumption of corn sweeteners, sugar, and caloric sweeteners from Economic Research Service, U.S. Dept. of Agriculture. Per capita saccharin and cyclamate consumption estimated on basis of trade information.

Deliveries increased significantly in all regions in 1970 but the gain was largest in the North Central States.

Retail prices of sugar increased 4½ percent in 1970, a little less than the average for other food products but the largest increase in sugar prices since 1963.

Raw sugar prices, unlike those of many other agricultural products, do not have a strong seasonal component (figure 8, table 9). However, there has been an upward trend since 1965. Raw sugar prices (New York-duty paid) have gone up an average of 27 cents per hundredweight annually since 1965.

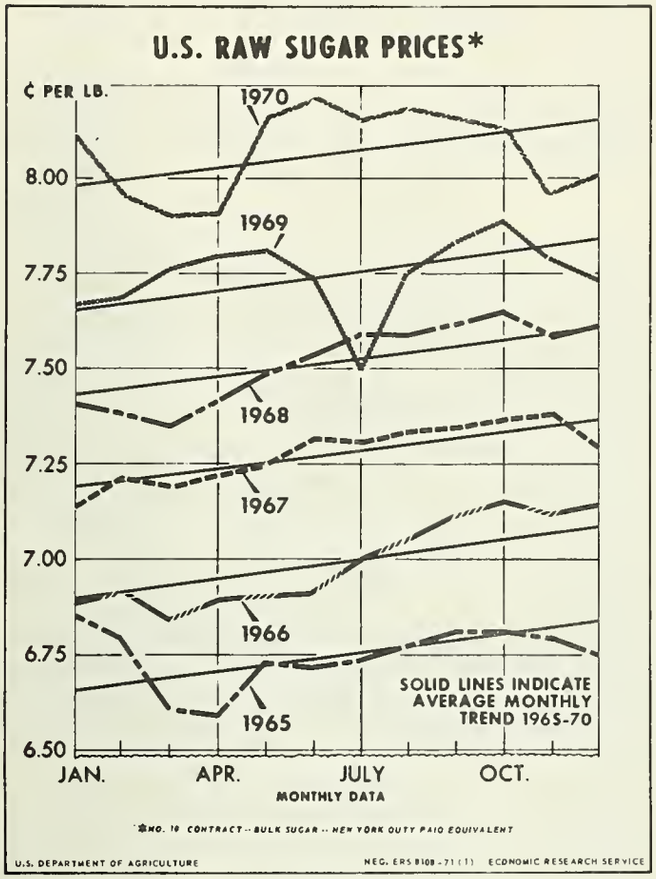

Figure 8

Increases in retail sugar prices lagged behind wholesale prices in 1967 and 1968, but prices at retail increased more in 1970. If the 1965-70 trend continues, wholesale prices may advance further in 1971 which could lead to higher prices at the retail level.

While there is no apparent seasonal pattern in sugar prices there is one for sugar deliveries (figure 9). They reach a peak in the third quarter when demand increases for soft drinks, iced tea, and frozen dairy products which are popular in the summer and when the canning season is underway. The basic pattern has not changed much in recent years, except that considerably more sugar was delivered in the first half of 1970 than in previous years, partly because of sugar used to replace cyclamate.

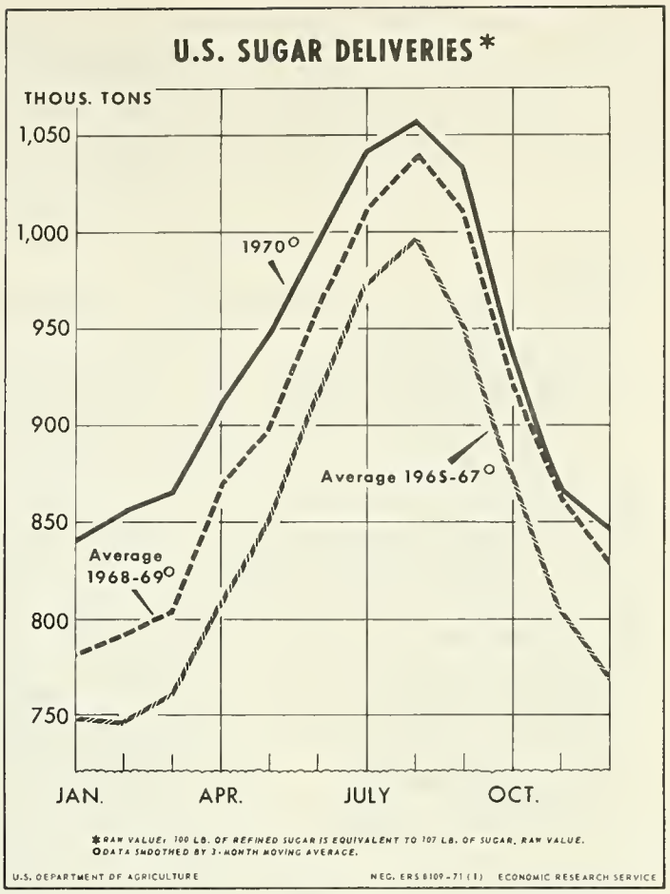

Figure 9

Soft drink consumption slowing but retail prices continue to climb

Use of sugar in beverages (largely in soft drinks) accounted for 22 percent of all sugar deliveries in 1970, up from 21 percent in 1969. Per capita soft drink consumption continues to rise though early reports indicate per capita consumption was 22.1 gallons in 1970 (about a glass a day), up 3 percent from 1969; from 1968 to 1969 the increase was nearly 4 percent (table 10). The slightly slower increase may be due in part to the ban on cyclamate use, effective in 1970. Per capita consumption of 1.8 gallons of low-calorie soft drinks in 1970 was only half the level of the previous year.

Soft drink prices continue to climb both at wholesale and at retail. Wholesale cola prices rose nearly 5 percent in 1970, though the rise trailed the 7 percent increase in the previous year. Retail cola prices increased over 5½ percent in 1970, and carbonated fruit drinks increased nearly 7 percent. Despite climbing soft drink prices in recent years, per capita use has continued to rise, demonstrating an expanding demand for soft drinks.

U.S. Sugar Act scheduled to expire

The Congress will consider extension and admendment of the Sugar Act before its scheduled

Table 9.--U.S. sweeteners and beverages: Selected prices, 1967-70

Item	Unit or base period	Cents per unit (or index number)							
		1967	1968	1969	1970				
					I	II	III	IV	Year
Sweeteners									
Sugar:									
Raw--New York, duty paid	Lb.	7.28	7.52	7.75	7.99	8.09	8.17	8.04	8.07
Wholesale, refined sugar:									
Northeast cane sugar 1/	Lb.	10.62	10.84	11.44	11.70	11.88	12.10	12.20	11.97
Chicago-West, cane or beet 1/	Lb.	9.70	9.94	10.23	10.64	10.97	11.25	11.45	11.08
Pacific Coast--cane or beet 1/	Lb.	10.11	10.35	10.14	10.46	10.63	10.87	11.20	10.79
Bulk dry beet sugar--f.o.b. plant 2/	Lb.	9.10	9.41	9.42	9.60	9.72	9.97	10.20	9.87
U.S. average wholesale	Lb.	9.95	10.20	10.32	---	---	---	---	(10.70)
U.S. average retail--5-lb. package	Lb.	12.10	12.18	12.40	12.61	12.84	13.11	13.34	12.98
Corn sirup--dry basis:									
Wholesale, Chicago	Lb.	6.39	6.16	6.34	6.49	6.49	6.77	7.35	6.78
U.S. average, wholesale	Lb.	6.82	7.15	6.95	---	---	---	---	(7.30)
Dextrose, dry basis--wholesale, Chicago	Lb.	9.10	9.27	9.77	9.99	10.04	10.31	10.48	10.20
Saccharin--wholesale (except calcium salt)	Lb.	130.0	130.0	130.0	133.0	141.0	154.0	154.0	145.0
Cyclamate--wholesale	Lb.	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Cocoa and Chocolate									
Wholesale:									
Cocoa beans--New York "Accra"	Lb.	29.0	34.4	45.7	35.8	30.5	36.1	34.3	34.2
Unsweetened chocolate	Lb.	28.2	31.9	42.6	41.8	37.4	36.9	40.1	39.0
Unsweetened cocoa powder	Lb.	9.9	11.2	14.6	17.0	17.8	17.2	18.3	17.6
Cocoa butter	Lb.	53.1	63.0	87.8	82.1	65.8	63.3	61.3	68.1
Chocolate covered candy bars	1967=100	100.0	109.3	123.2	132.4	132.4	132.4	131.4	132.2
Solid chocolate candy bars	1967=100	100.0	105.7	121.3	122.4	130.9	140.6	142.3	134.0
U.S. average retail:									
Chocolate bars (1-oz. bar)	Oz.	5.00	5.34	5.92	6.27	6.53	6.67	6.70	6.54
Beverages									
Coffee--New York:									
Green--New York:									
Colombian--Manizales	Lb.	42.5	43.2	44.7	58.7	58.1	56.8	55.0	57.2
Mexican Washed	Lb.	39.9	39.9	40.5	51.9	54.9	54.8	48.8	52.6
Brazilian--Santos No. 4	Lb.	38.4	37.6	40.8	54.6	53.8	57.2	57.1	55.7
Robusta--Ambriz No. BB	Lb.	---	34.7	33.5	39.2	42.1	43.5	43.4	42.0
U.S. average retail:									
Roasted--can	Lb.	76.9	76.4	76.5	84.5	90.0	94.1	96.0	91.2
Roasted--bag	Lb.	64.7	62.6	63.7	71.0	75.6	80.1	83.7	77.6
Instant soluble--6-oz. jar	Jar	87.9	89.4	93.4	100.7	104.0	105.6	108.5	104.7
Cup of coffee--6-oz. cup	Cup	10.68	11.60	12.30	12.71	12.84	13.12	13.25	12.98
Tea:									
Wholesale, black tea--New York	Lb.	46.5	46.0	42.6	44.2	45.2	46.9	47.0	45.8
U.S. average retail, pkg. of 48 tea bags	Pkg.	60.8	60.7	61.0	61.8	62.7	63.8	64.3	63.2
Soft drinks, U.S. average:									
Wholesale, cola drinks	1967=100	100.0	107.8	115.3	120.6	121.1	121.3	121.3	121.1
Retail:									
Cola drinks (6 12-oz. bottles)	Carton	60.8	65.1	68.9	71.2	72.2	73.0	74.1	72.6
Carbonated fruit drink (6 12 oz. bottles)	Carton	57.0	60.5	63.1	67.1	68.9	69.9	70.7	69.2
Alcoholic beverages, U.S. average:									
Wholesale:	1967=100	100.0	101.2	102.4	103.5	104.9	105.9	107.3	105.4
Malt beverages (beer)	1967=100	100.0	101.4	103.1	104.2	105.5	106.5	108.1	106.1
Wines	1967=100	100.0	103.3	104.3	106.5	106.6	106.6	109.8	107.4
Distilled spirits (whiskey)	1967=100	100.0	100.0	100.0	100.9	102.9	104.0	104.7	103.1
Retail:	1967=100	100.0	103.5	107.2	110.6	111.8	112.7	114.2	112.3
Beer	1967=100	100.0	102.8	105.4	107.4	108.6	109.2	110.5	108.9
Wine	1967=100	100.0	103.8	108.2	114.5	116.8	117.4	117.9	116.6
Whiskey	1967=100	100.0	101.4	102.4	103.9	104.8	105.7	105.7	105.0

1/ Basis price, 100-lb. paper bags, carload lots. 2/ Carload lots.

SOURCES: Wholesale sugar prices for raw sugar, and wholesale refined prices for Northeast, Chicago-West, and Pacific Coast from Sugar Reports, published monthly by ASCS, U.S. Dept. of Agriculture, U.S. average wholesale price for refined sugar and corn sirup from Bureau of Defense and Business Services, U.S. Dept. of Commerce. Saccharin, cyclamate, and cocoa bean prices from Journal of Commerce. Price per cup of coffee from Pan American Coffee Bureau. Unsweetened chocolate, unsweetened cocoa powder, and cocoa butter prices are derived unit values of imported items, f.o.b., country of origin. All other prices and price indexes are from Bureau of Labor Statistics. Prices in parentheses are forecasts by ERS of reported prices that will become available later this year.

expiration on December 31, 1971. Under this law, the Secretary of Agriculture regulates the amount of sugar that may be marketed for human consumption in the United States. This mechanism has allowed both domestic and foreign suppliers to share in the U.S. market while consumers have generally had more stable prices than those on the world market. At recent consumption levels, domestic areas may supply as much as 62 percent of the requirements of the sugar market in the continental United States and 65 percent of requirements above 10.4 million tons. Actually about 55 percent of the sugar marketed in 1969 and 1970 was of domestic origin and 45 percent came from foreign sources.

COFFEE, COCOA, AND TEA SITUATION

Coffee

Per capita consumption continues to decline

Per capita consumption of coffee totaled 13.4 pounds (green bean basis) in 1970, a decline of about 5 percent from the 1969 level. Per capita consumption of both instant and roasted coffee declined. The decrease can be attributed to at least two factors:

(1) The general downtrend in consumption which began in 1962, and
(2) The sharply higher coffee prices in 1970.

Total imports in 1970 of 2.6 billion pounds fell slightly below the previous year's level (table 10). Imports of Brazilian and Colombian coffees declined while imports of Other Milds and Robustas increased. Moreover, U.S. roastings declined in 1970, particularly in the third quarter.

Wholesale coffee prices have peaked

New York spot prices of green coffee began increasing in the fourth quarter of 1969, and the rise continued into 1970 in response to a severe freeze in Brazil (table 9, figure 10). Prices of most types of green

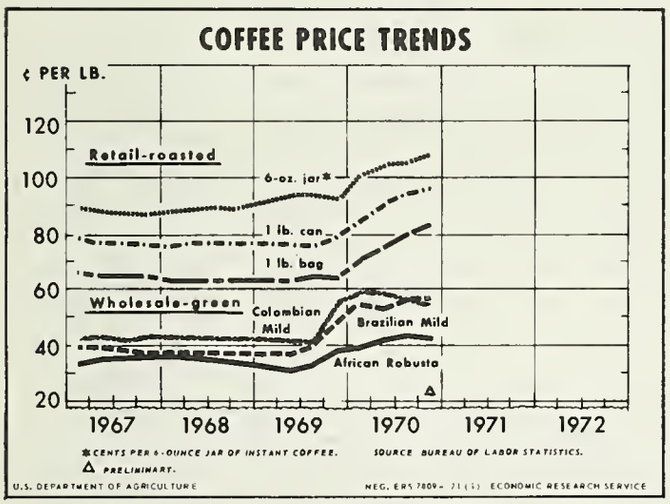

Figure 10

coffee peaked in the second and third quarter and since then have remained about steady or declined somewhat. In the fourth quarter last year, prices of Colombian Milds and Other Milds (largely from Latin American countries other than Brazil and Colombia) declined somewhat. However, prices of Robusta, the lowest priced type, remained firm.

Brazilian coffee prices historically have exceeded Robusta prices and have been about a penny a pound below the prices of Other Milds. But since the third quarter last year Brazilian prices (Santos No. 4) have exceeded Colombian Mild (MAMS) prices, even though they declined slightly in the fourth quarter. The relatively high Brazilian coffee prices apparently reflect 1970/71's short crop which is about half the size of 1969/70's. The current crop was severely affected by the July 1969 killing frost.

The modest declines in prices of Colombian Milds and Other Milds suggest the greater availability of these coffees for market relative to Brazilian coffee. But Brazilian coffee prices may decline somewhat as we approach the beginning of the 1971/72 harvest in anticipation of a larger Brazilian crop.

Retail prices lag wholesale changes

Changes in retail prices lag behind changes in green coffee prices. This lag reflects the time necessary for the raw material to be processed, packaged, shipped, and stocked in retail stores. Thus, green coffee prices peaked in the second and third quarters in 1970, but retail prices continued their upward movement through the fourth quarter. However, with green prices now declining there will be less pressure at retail in 1971. So although prices may remain firm, or increase some early in the year, there is the possibility of a decline later this year.

The general level of coffee prices this year will depend to a large extent on the size of the 1971/72 crop, but harvesting doesn't begin until nearly midyear. The 1970/71 crop now being harvested is apparently down about 13 percent from the 1969/70 level.

Say good-bye to the 10-cent cup of coffee

The nickel cup of coffee is now a distant memory for most people and soon the 10-cent cup will be likewise. There are few restaurants, mostly at-work places, that now offer a cup for 10 cents in metropolitan areas. The U.S. average price for a cup of coffee increased from 9.7 cents in 1950 to 13.0 cents in 1970, with much of the

Table 10.--U.S. beverages and cocoa: Selected supply and distribution data for specified years

	Unit	1950	1960	1965	1966	1967	1968	1969	1970
Beverages									
Coffee:									
Green bean imports:									
Colombia milds	Mil. lb.	537	561	468	413	437	458	377	364
Other milds	Mil. lb.	529	619	751	715	677	745	659	697
Unwashed Arabica	Mil. lb.	1,278	1,304	921	1,004	951	1,234	894	770
Total Arabica	Mil. lb.	2,344	2,484	2,140	2,132	2,065	2,437	1,930	1,831
Robusta	Mil. lb.	93	435	676	787	754	920	746	778
Total imports	Mil. lb.	2,437	2,919	2,816	2,919	2,819	3,357	2,676	2,609
U.S. Roastings (green bean basis):									
Regular roasted	Mil. lb.	---	2,367	2,368	2,351	2,393	2,358	2,295	2,264
Instant soluble	Mil. lb.	---	529	499	466	423	442	463	443
Total Roasted	Mil. lb.	2,436	2,896	2,867	2,817	2,816	2,800	2,758	2,707
Per capita consumption (green bean basis):									
Regular roasted	Lb.	---	12.9	12.4	12.1	12.3	12.3	11.7	11.3
Instant soluble	Lb.	---	2.9	2.4	2.4	2.5	2.5	2.4	2.1
Total per capita	Lb.	16.1	15.8	14.8	14.5	14.8	14.8	14.1	13.4
Tea (leaf basis):									
Annual imports	Mil. lb.	115	114	130	133	143	155	140	137
Per capita consumption	Lb.	.61	.59	.68	.69	.69	.72	.73	.73
Soft drinks:									
Apparent consumption:									
Sugar sweetener	Mil.gal.	1,519	2,193	2,746	3,035	3,150	3,500	3,714	4,180
Low calorie	Mil.gal.	---	22	410	494	556	666	656	364
Total consumption	Mil.gal.	1,519	2,215	3,156	3,529	3,706	4,166	4,370	4,544
Per capita consumption:									
Sugar sweetened	Gal.	10.1	11.9	14.1	15.4	15.8	17.4	18.4	20.3
Low calorie	Gal.	---	.1	2.1	2.5	2.8	3.3	3.1	1.8
Total per capita	Gal.	10.1	12.0	16.2	17.9	18.6	20.7	21.5	22.1
Apparent consumption:									
Malt beverages	Mil.gal.	---	2,710	3,083	3,219	3,313	3,443	3,593	3,751
Wines	Mil.gal.	---	158	183	187	197	205	223	240
Distilled spirits	Mil.gal.	---	235	294	309	325	345	363	375
Total alcoholic beverages	Mil.gal.	---	3,103	3,560	3,715	3,835	3,993	4,179	4,366
Per capita consumption:									
Total population									
Malt beverages	Gal.	---	15.1	15.9	16.4	16.7	17.2	17.8	18.4
Wines	Gal.	---	.88	.94	.95	.99	1.03	1.11	1.17
Distilled spirits	Gal.	---	1.33	1.52	1.58	1.64	1.73	1.80	1.83
Total alcoholic beverages	Gal.	---	17.3	18.4	18.9	19.3	20.0	20.7	21.4
21 and over:									
Malt beverages	Gal.	---	25.1	27.0	27.9	28.4	28.9	29.7	30.5
Wines	Gal.	---	1.46	1.60	1.62	1.69	1.74	1.85	1.93
Distilled spirits	Gal.	---	2.17	2.58	2.68	2.79	2.91	3.01	3.05
Total alcoholic beverages	Gal.	---	28.7	31.2	32.2	32.9	33.6	34.6	35.5
Cocoa and chocolate:									
U.S. imports:									
Unsweetened chocolate	Mil. lb.	13	22	6	8	9	10	8	7
Cocoa butter	Mil. lb.	7	14	17	21	23	20	14	34
Cocoa powder	Mil. lb.	26	92	95	99	105	121	123	122
Total of above (semi-processed)	Mil. lb.	46	128	118	128	137	151	145	163
Cocoa beans	Mil. lb.	659	551	794	715	633	511	489	625
Total semi-processed (bean basis)	Mil. lb.	56	155	143	157	171	192	179	206
Consumer products (bean basis)	Mil. lb.	3	9	19	17	18	23	24	24
Total imports (bean basis)	Mil. lb.	718	715	956	889	822	726	692	855
U.S. cocoa bean grind (bean basis)	Mil. lb.	515	483	628	646	648	641	592	585
Total confectionery shipments	Mil. lb.	2,784	3,004	3,474	3,668	3,769	3,907	3,888	3,850
Per capita consumption:									
Cocoa and chocolate (bean basis)	Lb.	3.5	2.9	4.0	4.2	4.2	4.3	3.9	4.0
Total confectionery-products	Lb.	18.4	16.9	18.2	19.2	19.6	20.3	19.9	18.7

Sources: All imports plus coffee roastings from Bureau of Census. Soft drink consumption data adapted from data published by National Soft Drink Association; sugar-sweetened and low-calorie components estimated on basis of trade information. Alcoholic beverage data published by U.S. Brewers Association. Cocoa bean grind, confectionery manufacturer's shipments and per capita consumption of confectionery products from Business and Defense Services Administration, U.S. Dept. of Commerce. Per capita consumption of coffee, tea, and cocoa and chocolate (bean basis) from Economic Research Service, U.S. Dept. of Agriculture.

Note: Data for 1970 are preliminary based either on 11 months of data or from past trends coupled with information from trade sources.

increase coming since 1967 (Pan American Coffee Bureau data). Even so, the price of a cup of coffee rose about half as much as prices of all food eaten away from home during the 1950-70 period.

Cocoa and Chocolate

Per capita cocoa consumption increased fractionally in 1970 to 4.0 pounds, reflecting larger world supplies and declining prices. Imports of cocoa beans last year were up nearly 30 percent from the 1969 level (table 10). Imports of semiprocessed cocoa products, on a cocoa bean equivalent basis, also were up significantly from the previous year's level, mainly because cocoa butter imports more than doubled in 1970. Some of the imports were diverted to stocks and U.S. cocoa bean grindings declined slightly so that there was only a small increase in U.S. consumption.

A decline in per capita consumption of confectionery products in 1970 was largely responsible for holding down cocoa use. Declining consumption (and production) of confectionery products is related to the switchover from the nickel candy bar to the 10-15 cent bars. The nickel price of many candy bars had been maintained partly by the reduction in size of the bars.

The increase in confectionery product prices in recent years was caused partly by the upward trend in cocoa and sugar prices since 1965. However, cocoa bean prices in recent months have receded from peak highs in late 1969 and early 1970. The lower level of grindings reflects the effects of the higher prices in 1969 and consumers' reaction to higher candy prices.

Tea

Consumption unchanged, prices creeping up

Based on preliminary data, per capita tea consumption totaled 0.73 pound (leaf equivalent basis) in 1970, about the same level as in 1969. Tea imports totaled 137 million pounds in 1970, down slightly from the 1969 level (table 10). Wholesale tea prices increased 7.5 percent in 1970 and retail prices, lagging somewhat, increased 3.6 percent above the 1969 level (table 9).

FISHERY PRODUCTS SITUATION[1]

Demand for fishery products was strong in 1970 as evidenced by rising consumption and rising prices. Per capita consumption rose slightly from 11.1 pounds in 1969 to 11.3 pounds in 1970. Per capita consumption rose for the third consecutive year to the highest level since 1953. Prices of fishery products averaged about 10 percent higher in 1970—nearly double the increase in overall food prices.

Per capita consumption increased 0.1 pound for fresh and frozen fish and 0.1 pound for canned fishery products. The fresh and frozen trade was marked by strong advances in total consumption of such products as shrimp, salmon, fish sticks, fish portions, and groundfish fillets. Demand for groundfish fillets, particularly cod fillets, was very strong in 1970. In addition to the gradual growth in cod fillets marketed through grocery stores and in restaurants, the fast growing fish and chips franchise chains have sparked consumption of cod.

Increased consumption of canned fish was associated with sharply higher production of canned shrimp and canned salmon than in the previous year. Production of canned tuna continued its long-run growth pattern.

At the beginning of the new year, supplies of most fishery products appeared ample for trade needs prior to the Lenten season. On January 1, 1971, inventories of frozen fishery products were 11 percent above the previous carryover.

Inventories of frozen fillets on January 1 were up 17 percent. Flounder, ocean perch, and whiting fillets were all more plentiful, while stocks of cod and haddock were below year-ago levels. Headed and gutted whiting will also be plentiful during the early months of 1971. About 2½ times more frozen salmon were in storage than last year. Inventories of frozen fresh-water fish were about the same as a year ago.

Shrimp are expected to be plentiful in early 1971 based on 14-percent higher stocks in cold storage on January 1. Stocks of crabs and scallops are about the same while those of lobster tails are below early 1970 levels.

Inventories of fish sticks and fish portions at the start of this year were 11 percent below a year ago. Stocks of sticks and portions likely will continue below year-earlier levels in the coming months. Inventories of fish blocks, the raw material for sticks and portions, were 29 percent below last year.

The present supply situation indicates some tempering of the rapid increase in fish prices that prevailed throughout all of 1970. Although fish prices will average higher than a year ago, they probably will not match the 10-percent jump of last year, especially in the first half of 1971.

[1] By Donald R. Whitaker, Current Economic Analysis Division, National Marine Fisheries Service, Department of Commerce.

Utilization of farm food commodities up in 1970

Total net utilization of farm food commodities rose 3 percent during 1970, compared with a fractional increase in the preceding year (table 11, figure 5).[2] Most of the advance came from a 5 percent gain in utilization of crop food commodities, due mostly to a greater volume of exports. Livestock food commodities were up 2 percent. Domestic food use was nearly 2 percent higher, but nonfood use of food commodities declined almost 6 percent.

Estimated export volume of farm food commodities increased almost a fifth in calendar year 1970 (annual estimate based on 11 months of data), following a nearly 7 percent decline in the previous year. There was little change in exports of livestock food commodities but crop food commodities were up nearly a fourth, led by expanded exports of wheat and wheat flour, feed grains, soybeans, and soybean products, particularly in the last half of the year.

Supplies of food increased because of a 5 percent boost in imports and a significant decline in carryover stocks overcame a 2 percent decrease in production, mainly due to a 5 percent lower crop output (figure 6).

Production changes mixed—livestock up, crop food commodities down

Red meat production (carcass basis) was up 3 percent in calendar year 1970, led by increases in beef and pork production. Poultry production rose 10 percent and egg production 1 percent. Milk production increased about 1 percent in 1970, halting a 5 year downtrend.

Production of food fats and oils (fat content basis) jumped 16 percent in calendar year 1970. The increase reflected big production gains for salad and cooking oils, shortening, and margarine, with little change for butter and lard. Production of both beet and cane sugar increased 7 percent and production also was up for corn sirup. Peanut production jumped nearly 19 percent.

There was a significant decline in grain production, led by a 10 percent reduction in corn production which was seriously affected by the blight. Wheat production was off 6 percent and rice down 13 percent. Production of prepared cereal and grain products was down only a little.

Fruit and vegetable production was mixed in 1970. It was higher for fresh citrus fruit, frozen fruit, fresh vegetables, canned vegetables, and potatoes. Production was lower for fresh noncitrus fruit, canned fruit, dried fruit, frozen vegetables, and sweetpotatoes.

Volume of imports up in 1970

The volume of imports of farm food products in 1970 was 5 percent above the strike-affected level of 1969 and fractionally above the more normal 1968-69 average.

Imports of crop food products were up nearly 4 percent in calendar year 1970, led by cane sugar, cocoa and chocolate, fresh vegetables and melons, and frozen fruit juice. Imports of livestock food products were up more than 8 percent in 1970 because of larger imports of beef and pork, which were in relatively short supply early in the year, and certain dairy products.

Supply and use outlook

This year's outlook for supplies of farm food commodities appears promising, though there is considerable uncertainty about the size of the 1971 crops. Annual utilization of farm food commodities is expected to increase slightly, particularly for livestock products. Production will likely be up this year if crop output increases as expected. Acreage planted to major crops will be larger if producers carry out early-season planting intentions. This suggests a larger 1971 crop output. A further gain in livestock output also is indicated, with increases for hogs, eggs, turkey, and possibly broilers and milk.

Total domestic food use of agricultural commodities is expected to increase modestly in 1971, both for livestock and crop products. Exports of livestock food products are expected to rise some in view of increased output this year and relatively low prices. However, exports of crop food commodities may decline slightly from high levels in calendar year 1970.

[2] Net utilization excludes seed and animal feed uses to avoid duplication in total use.

Table 11.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1964 to date 1/

Year	Supply				Utilization					
					Domestic use					Exports and shipments 4/
					Food		Nonfood			
	Production	Imports 2/	Stocks 3/	Total annual utilization	Civilian	Military	Seed and feed	Other	Total	
	A.--All food commodities indexes: (1967=100) 5/									
1964	89.6	93.2	116.2	96.8	95.2	80.4	---	99.0	94.9	110.3
1965	93.8	92.1	105.8	96.3	95.2	90.6	---	102.8	95.4	103.5
1966	92.5	99.7	106.9	98.9	96.8	96.7	---	105.6	97.1	111.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970 6/	98.6	106.2	120.7	106.0	106.1	80.1	---	96.2	105.3	111.9
	Livestock food commodities (1967=100)									
1964	96.6	75.8	130.4	97.4	95.3	78.3	111.9	104.0	95.4	180.1
1965	94.9	71.5	104.0	95.4	94.5	86.1	107.6	103.1	94.7	124.3
1966	96.8	95.0	86.2	97.1	96.7	92.2	113.8	99.7	97.1	100.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970 6/	103.8	123.8	96.8	105.0	105.9	79.3	98.9	101.3	105.0	104.6
	Crop food commodities (1967=100)									
1964	82.8	97.4	115.3	95.0	94.9	87.7	92.2	96.4	93.8	100.5
1965	91.8	97.0	105.7	95.9	96.8	106.9	91.1	102.6	94.8	100.6
1966	92.3	100.5	107.8	103.0	97.0	113.1	104.6	108.4	100.7	113.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970 6/	98.6	102.0	121.8	110.1	106.7	83.1	115.5	93.7	109.5	112.9
	B.--All food commodities: Percentage of annual utilization 5/									
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970 6/	86.5	10.4	3.1	100.0	83.5	1.4	---	2.5	87.4	12.6
	Livestock food commodities: Percentage of annual utilization									
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970 6/	96.4	3.8	-.2	100.0	92.6	1.8	1.9	1.4	97.7	2.3
	Crop food commodities: Percentage of annual utilization									
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.0	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970 6/	81.0	13.5	5.5	100.0	43.2	.5	34.7	2.8	81.2	18.8

1/ Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities and comparable data for 1950-63, see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary.

Table 12.—Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1957-59=100)

Year and month	Farm products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/	All food 6/	Industrial commodities 7/	All commodities
1947-49	133.6	94.3	109.2	97.1	112.6	100.9	174.3	80.5	88.6	93.0	123.5	84.8	87.2	75.3	93.9	94.4	79.0	84.2
1960	103.2	100.6	96.9	100.6	91.0	96.8	99.9	102.0	105.0	99.5	90.5	103.2	101.8	98.8	100.0	100.0	101.3	100.7
1965	93.5	101.8	98.4	95.6	108.2	100.8	90.9	112.8	108.5	102.1	101.2	109.0	109.0	105.7	106.7	104.5	102.5	102.5
1966	107.9	102.5	105.6	104.1	117.5	109.9	97.3	127.2	118.5	104.8	104.6	115.4	110.5	105.8	113.0	110.7	104.7	105.9
1967	84.3	101.6	99.7	105.8	105.1	105.4	86.0	125.3	121.9	107.2	102.0	117.1	113.0	106.5	111.7	108.6	106.3	106.1
1968	93.9	108.3	102.2	110.2	103.5	107.7	91.0	135.4	127.7	114.2	100.1	118.1	116.2	109.5	114.2	112.2	109.0	108.8
1969	112.9	111.0	108.5	119.5	116.4	119.4	97.7	148.6	131.9	115.7	103.5	120.2	123.6	112.9	119.8	119.0	112.7	113.0
January	122.3	112.0	104.9	112.5	106.6	110.1	92.6	145.1	130.1	113.6	101.1	119.3	119.2	110.8	116.0	115.5	110.9	110.7
February	108.1	108.7	105.0	111.6	105.3	109.8	95.1	146.0	130.2	114.5	102.9	119.3	119.2	111.1	116.3	115.0	111.4	111.1
March	110.9	112.1	106.5	115.3	101.8	110.6	96.1	147.5	130.4	115.1	103.1	119.3	119.5	111.3	116.4	115.7	112.0	111.7
April	97.3	106.8	105.6	120.4	102.7	113.8	92.7	143.3	131.4	115.4	103.3	119.3	120.2	111.4	117.3	115.4	112.1	111.9
May	80.6	126.7	110.5	129.0	110.9	121.3	98.8	146.2	132.5	115.7	103.3	119.4	122.7	111.8	119.4	119.0	112.2	112.8
June	85.9	112.9	111.2	134.2	121.3	128.5	98.4	144.3	133.0	115.6	103.3	119.7	123.0	112.4	121.4	119.9	112.2	113.2
July	117.0	103.1	110.5	130.2	126.5	128.9	100.0	151.0	133.0	116.6	102.1	119.9	122.3	112.6	122.0	120.7	112.4	113.3
August	100.5	106.7	108.9	122.1	123.5	124.8	104.1	146.9	133.0	116.8	102.1	120.1	127.2	112.6	121.5	119.9	112.8	113.4
September	122.5	103.4	108.4	118.9	124.5	123.1	100.0	150.0	133.4	116.6	102.1	120.4	127.2	113.1	121.3	120.1	113.2	113.6
October	113.8	101.3	107.9	113.4	124.0	120.3	97.1	150.2	130.7	116.0	104.7	121.2	127.7	115.0	121.6	119.8	113.8	114.0
November	139.8	125.3	111.1	112.4	123.6	119.8	97.7	157.6	131.2	116.3	106.5	121.9	127.9	116.0	121.8	123.1	114.2	114.7
December	155.8	112.4	111.7	114.1	125.8	121.4	100.2	154.5	133.9	116.4	108.0	122.0	127.1	116.1	122.6	123.3	114.6	115.1
1970 8/	106.9	113.4	110.7	121.1	117.4	121.2	97.4	156.8	135.5	118.4	114.0	126.0	131.0	120.2	125.1	123.3	116.9	117.1
January	152.2	116.6	112.5	119.5	130.2	124.9	106.8	158.6	133.9	116.9	107.5	122.3	129.1	117.4	125.1	125.0	115.1	116.0
February	136.9	117.2	113.7	118.2	128.1	124.5	100.9	160.0	134.1	117.3	107.5	123.3	127.7	118.3	125.2	124.5	115.5	116.4
March	120.1	118.2	114.3	125.2	125.7	127.2	104.7	155.8	133.1	116.5	112.4	123.7	127.4	118.4	124.9	124.9	115.8	116.6
April	94.9	112.7	111.3	126.8	118.7	125.5	98.9	154.3	135.1	117.5	113.6	124.6	128.7	118.8	124.9	123.2	116.2	116.6
May	79.7	123.5	111.0	122.0	118.7	122.7	99.4	151.1	135.4	118.1	113.1	124.6	129.4	120.3	124.1	122.8	116.6	116.8
June	85.3	122.2	111.3	122.3	122.5	124.6	94.1	154.9	135.4	118.5	113.2	124.6	130.4	120.3	124.8	123.5	116.7	117.0
July	111.2	112.6	113.1	126.2	128.5	127.2	98.6	154.6	135.7	118.9	113.2	125.8	132.3	120.4	126.6	124.9	116.9	117.7
August	89.6	99.6	108.2	123.6	120.4	122.9	94.7	156.5	136.2	119.6	114.5	126.5	132.4	121.1	126.1	122.3	117.1	117.2
September	117.6	113.4	111.8	121.2	115.8	120.0	99.0	158.0	135.8	120.1	114.5	127.9	133.6	121.5	126.2	124.3	117.4	117.8
October	88.2	102.4	107.5	118.6	106.9	115.8	93.4	153.8	136.5	119.1	117.5	128.7	134.0	121.9	124.9	121.3	118.3	117.8
November	99.3	109.4	106.7	117.5	99.3	112.2	94.6	158.9	136.8	119.6	121.4	129.5	133.5	122.2	124.8	122.0	118.3	117.7
December	107.3	113.1	106.8	112.1	94.0	107.5	83.6	165.4	137.5	119.0	119.9	129.9	133.1	121.7	123.6	120.8	118.7	117.8
Seasonally adjusted																		
1969																		
January	128.1	112.9	105.3	—	—	—	—	—	130.1	112.7	110.0	—	118.3	—	115.7	—	—	—
February	111.1	106.8	104.5	—	—	—	—	—	130.6	114.5	102.1	—	118.3	—	116.1	—	—	—
March	110.1	109.0	106.3	—	—	—	—	—	131.2	115.2	102.7	—	119.5	—	117.1	—	—	—
April	106.1	102.1	105.1	—	—	—	—	—	132.2	115.5	103.4	—	120.9	—	118.6	—	—	—
May	96.1	117.4	109.6	—	—	—	—	—	133.8	115.9	103.7	—	123.4	—	120.2	—	—	—
June	95.3	111.8	111.3	—	—	—	—	—	133.1	115.4	104.1	—	123.2	—	120.7	—	—	—
July	124.5	98.9	108.5	—	—	—	—	—	132.7	116.7	102.6	—	122.4	—	120.7	—	—	—
August	98.0	112.8	108.7	—	—	—	—	—	132.7	118.0	102.6	—	127.5	—	121.1	—	—	—
September	102.3	111.2	108.3	—	—	—	—	—	132.6	117.8	102.1	—	127.3	—	120.5	—	—	—
October	109.0	108.6	109.5	—	—	—	—	—	129.7	115.7	104.9	—	127.4	—	121.7	—	—	—
November	129.3	126.2	112.8	—	—	—	—	—	130.7	115.4	106.3	—	127.5	—	122.4	—	—	—
Decembsr	139.7	114.6	112.4	—	—	—	—	—	133.1	115.7	107.6	—	127.0	—	122.8	—	—	—
1970																		
January	158.0	115.3	112.7	—	—	—	—	—	134.3	116.7	107.1	—	128.6	—	125.0	—	—	—
February	136.6	114.9	113.5	—	—	—	—	—	134.8	117.3	106.8	—	127.4	—	125.2	—	—	—
March	117.3	114.8	114.0	—	—	—	—	—	134.3	116.6	111.8	—	127.5	—	125.7	—	—	—
April	102.6	111.8	111.3	—	—	—	—	—	136.1	117.7	113.4	—	129.5	—	126.2	—	—	—
May	98.3	111.8	109.4	—	—	—	—	—	136.1	118.2	113.2	—	130.1	—	124.6	—	—	—
June	97.4	121.8	109.5	—	—	—	—	—	134.9	118.5	113.5	—	130.7	—	123.7	—	—	—
July	117.1	107.0	111.1	---	---	---	---	---	135.3	118.9	113.9	---	132.0	---	125.1	---	---	---
August	90.7	105.5	108.5	---	---	---	---	---	135.9	120.3	115.3	---	132.0	---	125.6	---	---	---
Septembsr	99.5	123.7	112.7	---	---	---	---	---	134.9	120.9	114.8	---	133.5	---	125.4	---	---	---
October	86.4	112.0	109.6	---	---	---	---	---	135.4	119.1	117.5	---	133.6	---	125.2	---	---	---
November	89.8	108.0	107.9	---	---	---	---	---	136.9	119.0	120.9	---	133.1	---	125.6	---	---	---
December	93.0	113.7	107.7	---	---	---	---	---	136.8	118.5	119.4	---	133.2	---	124.1	---	---	---

1/ For earlier annual data, see table 106, Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, page 179, by Stephen J. Hiemstra. 2/ Includes potatoes. 3/ In addition to items listed ssparately, includss grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and rsfined vegetable oils, manufactured animal fesd, and miscellaneous processed foods in addition to items listed separately 6/ All food includes all processed foods (omitting soft drinks, alcoholic bevsrages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from ths farm products group. 7/ Prior to 1967, includes manufactured animal fesds, soft drinks and alcoholic beverages. 8/ 1970 annual averages computed by ERS.

Bureau of Labor Statistics.

Table 13 --Retail food price indexes and Consumer Price Index, selected periods 1/
(1957-59=100)

Year and month	Food at home																		Consumer Price Index
	Meats			Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	Consumer Price Index, less food	
	Beef and veal	Pork	Total 2/						Fresh	Processed	Total								
1947-49	86.8	92.8	86.7	132.5	86.4	122.7	88.3	117.9	78.4	88.6	80.9	75.5	85.4	56.1	86.1	6/	84.7	79.7	81.5
1960	104.2	93.8	99.2	95.0	103.5	100.1	103.2	92.1	105.2	101.4	103.8	103.2	103.4	90.7	100.6	105.5	101.4	103.7	103.1
1965	106.8	109.4	106.9	90.0	110.6	92.8	105.0	102.3	121.7	107.3	115.2	111.2	113.5	100.6	107.2	117.8	108.8	110.4	109.9
1966	112.4	125.1	116.8	94.9	117.8	105.7	111.8	106.2	123.9	109.9	117.6	115.8	111.3	100.0	112.6	123.2	114.2	113.0	113.1
1967	113.1	114.8	113.8	88.9	121.8	88.4	116.7	106.5	124.3	109.2	117.5	118.5	114.7	99.1	112.3	129.6	115.2	116.8	116.3
1968	117.7	115.0	116.4	91.7	123.8	95.3	120.6	104.0	136.0	115.3	126.8	119.0	118.6	101.0	115.9	136.3	119.3	121.9	121.2
1969	129.5	125.2	126.8	96.9	130.6	112.1	124.5	104.0	138.1	116.3	128.4	122.4	125.1	103.7	121.5	144.6	125.5	128.6	127.7
January	121.1	115.7	118.6	90.8	127.0	119.8	122.7	103.5	136.4	115.3	127.0	120.5	122.7	102.3	118.3	140.3	122.0	124.9	124.1
February	121.3	116.6	119.0	92.3	127.7	116.2	122.8	103.6	132.3	115.3	124.7	120.8	123.1	102.2	118.1	140.7	121.9	125.6	124.6
March	121.4	116.4	119.1	94.2	127.7	108.5	123.0	103.9	137.2	115.8	127.6	121.2	123.8	102.5	118.5	141.3	122.4	126.8	125.6
April	125.1	117.5	121.2	95.3	128.4	109.8	122.9	103.6	137.6	115.9	127.9	121.3	124.4	102.6	119.3	142.2	123.2	127.5	126.4
May	127.9	118.8	123.4	93.3	129.5	97.4	123.6	104.1	140.9	116.3	130.0	121.6	124.7	102.7	119.8	142.8	123.7	127.9	126.8
June	134.6	126.1	129.5	97.3	129.8	92.5	124.0	104.0	142.4	116.3	130.8	122.0	125.2	103.4	121.8	143.7	125.5	128.4	127.6
July	136.8	129.0	131.7	100.4	130.6	95.6	124.4	103.7	145.0	116.4	132.3	122.6	125.3	103.3	123.0	144.8	126.7	128.8	128.2
August	135.4	130.2	131.9	101.4	131.5	114.4	125.0	103.7	141.0	116.7	130.2	122.6	125.4	103.8	123.6	145.8	127.4	129.3	128.7
September	135.0	133.7	133.1	102.0	132.2	113.8	125.5	103.7	134.9	116.9	126.8	123.0	126.0	103.7	123.6	146.7	127.5	130.0	129.3
October	132.9	132.7	132.0	98.2	133.4	114.5	125.8	104.0	130.1	116.6	124.0	123.7	126.4	104.3	122.9	148.1	127.2	130.8	129.8
November	131.5	132.0	131.1	99.1	134.0	122.3	126.3	104.8	135.4	116.8	127.0	124.1	126.6	106.1	123.8	149.0	128.1	131.4	130.5
December	130.6	133.3	131.3	97.9	135.4	140.6	127.6	105.6	144.1	117.1	132.1	124.9	127.5	107.4	125.8	149.9	129.9	131.9	131.3
1970	135.2	133.0	133.8	96.4	143.7	111.0	130.5	111.5	144.5	119.2	133.2	129.0	132.0	116.3	127.7	155.4	132.4	136.3	135.3
January	132.2	135.6	132.9	99.5	137.0	143.0	128.4	106.3	141.9	117.1	130.9	125.5	128.1	109.1	126.6	150.6	130.7	132.3	131.8
February	133.0	137.2	133.9	99.1	138.3	141.0	128.8	106.8	144.5	117.3	132.4	126.3	128.6	110.7	127.4	151.5	131.5	133.0	132.5
March	133.6	137.9	134.7	97.9	139.8	122.6	129.4	107.3	145.7	117.3	133.1	127.0	129.7	112.4	127.4	152.4	131.6	133.8	133.2
April	136.5	135.9	135.6	97.1	141.1	103.6	129.5	109.3	148.0	118.0	134.7	127.6	130.5	114.0	127.4	154.0	132.0	134.8	134.0
May	135.9	134.8	135.0	97.1	142.3	97.7	129.9	111.4	151.5	118.3	136.8	128.0	131.8	115.2	127.8	154.7	132.4	135.5	134.6
June	135.3	134.4	134.5	97.4	143.2	91.9	130.2	111.9	155.9	118.6	139.4	128.2	132.2	116.5	128.0	155.3	132.7	136.1	135.2
July	136.6	134.9	135.2	97.5	143.4	105.3	130.6	112.6	152.2	119.1	137.5	128.8	132.7	117.7	128.7	156.2	133.4	136.6	135.7
August	137.2	135.9	135.8	95.6	144.5	103.2	130.8	113.0	147.5	119.3	135.0	130.1	133.2	118.4	128.6	156.8	133.5	136.9	136.0
September	136.8	133.7	134.7	93.8	146.0	112.1	131.3	113.3	139.8	120.1	131.0	130.6	133.6	119.4	128.2	157.4	133.3	137.8	136.6
October	136.4	129.9	133.3	93.7	147.9	106.3	132.0	114.3	136.3	120.9	129.3	131.5	134.0	120.3	127.8	158.0	133.0	138.9	137.4
November	134.9	124.9	131.0	91.8	149.6	99.1	132.4	115.3	134.2	121.7	128.5	131.8	134.4	120.8	126.9	158.7	132.4	139.7	137.8
December	133.9	120.7	129.1	95.9	151.5	105.6	132.6	117.0	136.0	122.5	129.9	132.2	135.1	120.7	127.3	159.2	132.8	140.4	138.5
	Seasonally adjusted																		
1969																			
January	121.5	116.5	119.0	94.1	126.5	116.5	122.3	---	141.2	---	129.6	---	---	---	118.5	---	122.2	---	---
February	121.5	117.4	119.1	91.4	127.3	112.4	122.8	---	134.0	---	125.6	---	---	---	118.3	---	122.1	---	---
March	121.8	117.3	119.5	93.2	127.4	110.3	123.2	---	136.7	---	127.3	---	---	---	118.9	---	122.8	---	---
April	126.5	121.0	122.7	96.1	128.3	111.9	123.5	---	134.8	---	126.4	---	---	---	119.7	---	123.6	---	---
May	128.7	124.5	125.9	95.4	129.4	106.6	124.1	---	135.9	---	127.1	---	---	---	120.3	---	124.2	---	---
June	134.9	126.5	130.0	99.9	129.9	103.6	124.5	---	135.2	---	127.0	---	---	---	121.8	---	125.5	---	---
July	136.9	126.2	131.0	101.4	130.7	104.3	124.6	---	131.1	---	124.5	---	---	---	122.0	---	125.8	---	---
August	134.9	125.1	130.0	101.1	131.6	116.4	124.9	---	136.6	---	127.8	---	---	---	122.4	---	126.4	---	---
September	133.5	129.3	131.0	101.4	132.3	106.5	125.1	---	142.3	---	131.0	---	---	---	123.2	---	127.1	---	---
October	131.8	129.8	130.6	100.3	133.9	104.3	125.2	---	138.4	---	128.9	---	---	---	122.9	---	127.1	---	---
November	131.4	132.5	131.1	102.9	134.5	120.1	125.7	---	143.4	---	131.5	---	---	---	124.5	---	128.6	---	---
December	130.9	135.5	132.1	101.2	135.4	130.9	127.1	---	150.6	---	135.2	---	---	---	126.2	---	130.3	---	---
1970																			
January	132.9	136.8	133.7	103.1	136.5	138.7	128.1	---	144.1	---	132.0	---	---	---	126.7	---	130.8	---	---
February	133.5	138.4	134.6	97.7	137.9	133.5	128.9	---	146.7	---	133.5	---	---	---	127.7	---	131.8	---	---
March	134.1	139.6	135.9	94.9	139.8	123.6	129.8	---	144.8	---	132.6	---	---	---	127.9	---	132.0	---	---
April	137.7	139.8	137.4	93.5	141.0	104.6	130.2	---	145.7	---	133.5	---	---	---	127.8	---	132.4	---	---
May	136.4	139.8	137.3	96.6	142.2	108.1	130.3	---	146.5	---	134.0	---	---	---	128.4	---	132.9	---	---
June	135.2	134.4	134.0	96.0	143.3	105.8	130.2	---	148.5	---	135.5	---	---	---	127.7	---	132.4	---	---
July	136.3	131.9	133.7	94.3	143.5	117.8	130.9	---	140.8	---	131.3	---	---	---	127.6	---	132.5	---	---
August	135.7	131.7	133.7	91.5	144.6	100.7	130.8	---	142.8	---	132.5	---	---	---	127.3	---	132.4	---	---
September	135.0	129.3	132.4	89.1	146.3	107.0	131.2	---	145.9	---	134.5	---	---	---	127.8	---	132.9	---	---
October	135.6	127.1	132.0	92.8	148.3	96.9	131.6	---	144.8	---	134.3	---	---	---	127.8	---	133.0	---	---
November	135.2	125.4	131.3	92.6	150.1	97.3	131.9	---	141.3	---	132.5	---	---	---	127.5	---	132.9	---	---
December	134.8	122.4	130.1	98.2	151.3	99.2	132.2	---	141.2	---	132.3	---	---	---	127.8	---	133.2	---	---

1/ For earlier annual data, see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/ Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 6/ Data not collected prior to 1953.

Bureau of Labor Statistics.

SPECIAL ARTICLES APPEARING IN THE NATIONAL FOOD SITUATION DURING 1967-70 1/

1970

Nutritional Review, NFS-134, November 1970
Tea Situation: Trends and Prospects, NFS-134, November 1970
Food in the 1960's: Prices, Consumption, and Expenditures, NFS-133, August 1970
Consumption of Corn, Oats, and Barley Food Products, NFS-132, May 1970
Foods Eaten Away From Home, NFS-132, May 1970
Food: A Special Issue in Welfare Programs, NFS-131, February 1970

1969

Grocery Store Sales in 1968, NFS-130, November 1969
Cyclamate Sweeteners, NFS-130, November 1969
Nutritional Review, NFS-130, November 1969
USDA Domestic Food Programs, NFS-129, August 1969
A Cross-Sectional View of U.S. Food Consumption, NFS-128, May 1969
Sweetener Situation, NFS-127, February 1969
Coffee Situation, NFS-127, February 1969

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USDA Food Programs, NFS-125, August 1968
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Maple Sirup, NFS-125, August 1968
Military and Civilian Food Consumption, NFS-124, May 1968
Importance of Foreign Trade in Agricultural Commodities, NFS-124, May 1968
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Comparative Living Costs, NFS-123, February 1968
Population and Food Consumption, NFS-123, February 1968

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Expenditures for Food Away From Home, NFS-122, November 1967
Nutritional Review, NFS-122, November 1967
Household Use of Food, 1955-65, NFS-122, November 1967
Grocery Store Sales in 1965-66, NFS-122, November 1967
Foreign Agricultural Trade, NFS-120, May 1967
Forecasting the Quarterly Retail Food Price Index, NFS-120, May 1967

1/ For 1962-66 see National Food Situation, NFS-119, February 1967

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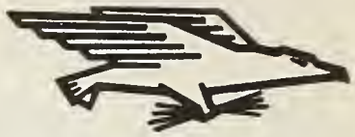

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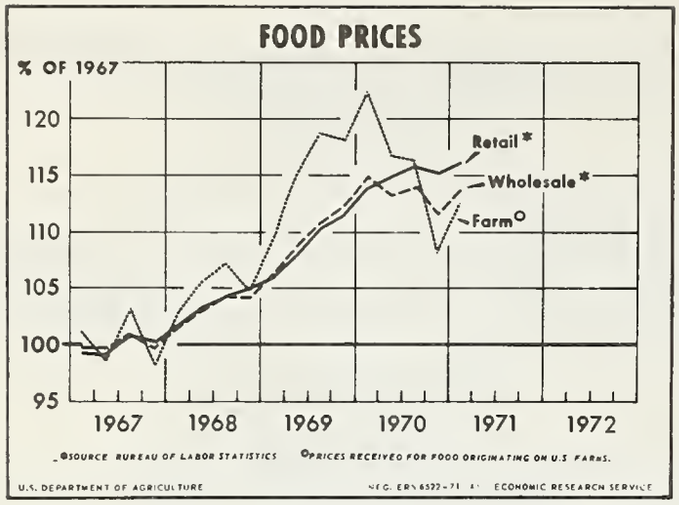

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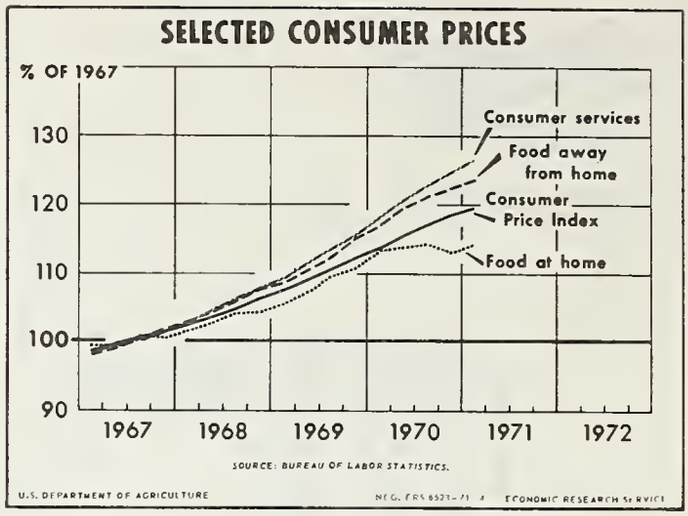

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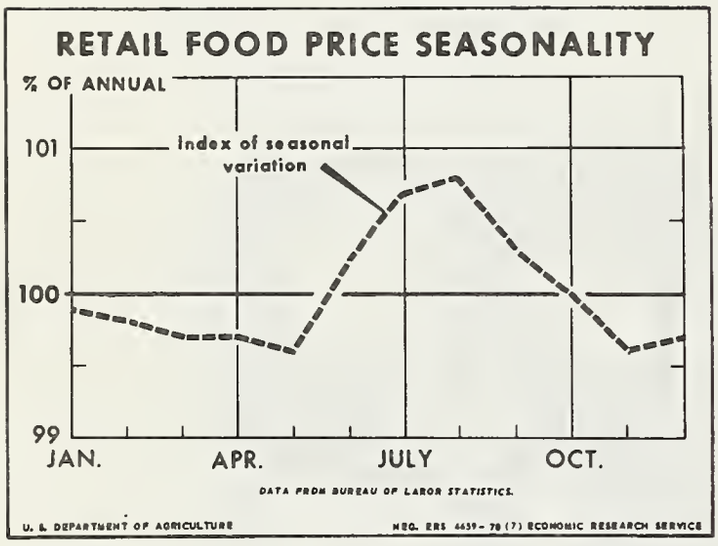

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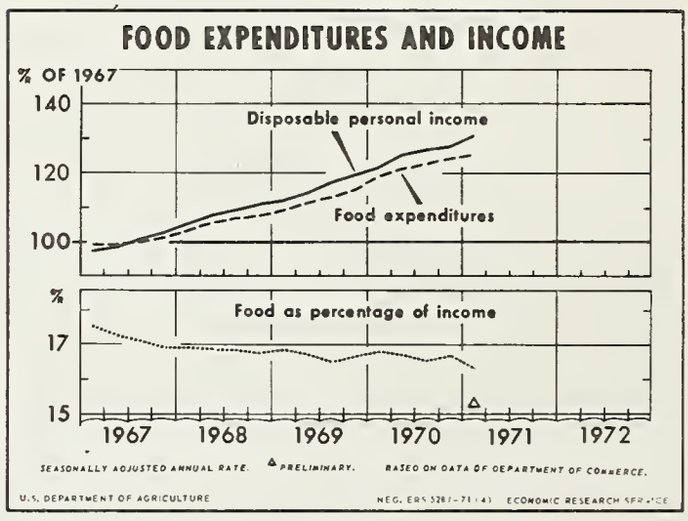

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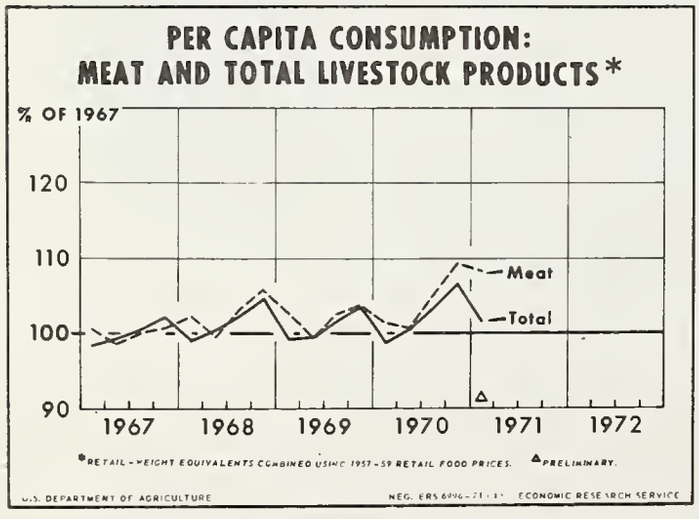

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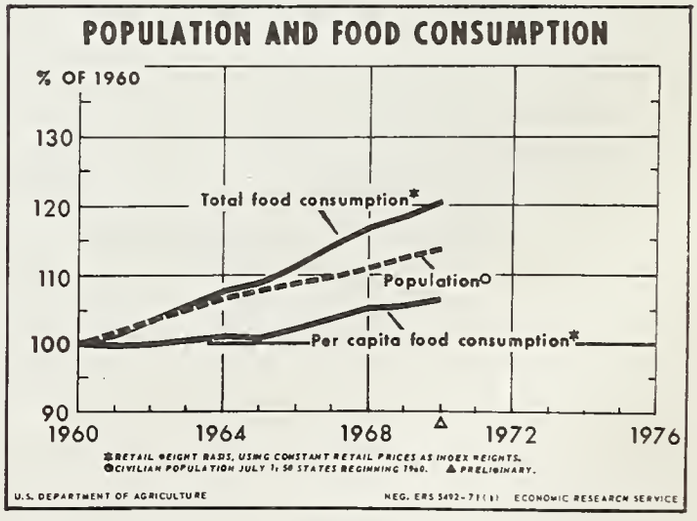

Figure 6

NATIONAL FOOD SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
May 6, 1971

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• • •

The *National Food Situation* is published in February, May, August, and November.

SUMMARY

Food prices in retail stores will show some further rise into mid-summer, with seasonal factors accounting for part of the increase. In late summer and fall, prices may remain firm, particularly if market supplies of hogs are smaller then, and pork prices move above the low levels of a year earlier. For all of 1971 retail store prices may average around 2 percent higher than in 1970. With prices of food eaten away from home continuing upward, though at a slower rate than last year, the food price index may increase 2½ to 3 percent.

In the first quarter of 1971, food store prices averaged 0.6 percent above the previous quarter, and prices of food away from home moved up more than 1 percent.

In recent months there have been some sharp increases in prices of food used at home, but prices in the January-March quarter were still only 0.8 percent higher than a year ago. Egg prices were 24 percent lower, pork down 13 percent, and poultry down 4 percent; several fresh fruit and vegetable items were down from the high levels of a year earlier. Prices of frozen orange juice were 5 percent lower in March this year, the only decline among processed food products. On the other side, fats and oils and fish prices were up more than 10 percent; coffee, processed fruits and vegetables, and bakery and cereal products also were up. The prospective increases the rest of the year will leave prices of nearly every major commodity group higher at the end of 1971 than at the end of 1970.

Preliminary data indicate that consumer expenditures for food increased only $0.6 billion in the first quarter to $117 billion (seasonally adjusted annual rate), the smallest quarterly rise in more than 2 years. Price rises caused all of the increase.

Disposable personal income, which increased only slightly during the fourth quarter of 1970 because of the economic slowdown, showed larger growth in the first quarter with a 2.5 percent hike over the final quarter of last year to a level 7.5 percent above the first quarter of 1970.

With the strong increase in income and the small rise in food expenditures, the percentage of the Nation's disposable income going for food declined from 16.7 percent at the end of 1970 to 16.4 percent in January-March. A year ago it was 16.8 percent.

Another increase in per capita food consumption is forecast this year, perhaps as much as 1 percent. Most of the prospective gain will come from pork, beef, and fruit. But we will eat less chicken, fish, and dairy products. Consumption of livestock products declined 5 percent from the fourth to the first quarter, only slightly more than the usual seasonal decrease. It averaged 3 percent higher than a year earlier. Red meat consumption the rest of this year may remain near the

record rate of late last year though it likely will tail off in the second half.

Ample fruit supplies remaining from last year's pack plus the increased processing from this year's large citrus crop point to a fairly big boost in consumption of processed fruit in 1971. Fresh vegetable supplies have been short during much of the winter and early spring and may remain lower than last year through the spring.

Consumption of food products made from corn rose 2 percent in 1970, continuing a 15-year uptrend mainly reflecting increases for corn sirup and corn sugar. Per capita consumption of oat food products continued down; it fell about 15 percent from 1963 to 1970.

This year's total use of food commodities may rise about 2 percent. Based on March 1 planting intentions, acreage will increase for most major crops, indicating a potential recovery from the lower crop production in 1970. Major increases in production also are expected for red meat. Exports of food commodities may total about as much as in 1970. Civilian food use will rise moderately again this year, while military procurement may continue to decline.

FOOD PRICES

Food Store Prices Rise

Food demand apparently is holding up well with prices rising in the first 3 months of 1971 even though supplies of livestock products continued large. A sharp increase in disposable income in the first quarter marked a partial recovery from the sluggish fourth quarter and helped to boost food prices despite the larger supplies.

Prices of food sold in retail stores rebounded in the first quarter this year, recovering over half of the seasonal decline in the fourth quarter of 1970 (table 1 and figure 1).

Prices of food eaten away from home jumped 1.2 percent in the first quarter, about the same as in the fourth quarter, but much smaller than the large increases in late 1969 and early 1970. In recent months there has been some evidence of a slackening from the rapid pace maintained during much of 1970 (table 14).

The total food price index increased 0.8 percent from the fourth to the first quarter, matching the increase in the total Consumer Price Index (figure 2). The slowdown in price hikes for other goods and services was particulary evident from monthly data; prices during January, February, and March advanced only 0.1 percent per month compared with a 0.4 percent average monthly increase during the previous 12 months. But food prices moved up 0.3 percent in February and 1 percent in March.

The quarter-to-quarter advance in prices reflected moderately higher prices for a number of food groups. Prices of fresh vegetables moved up sharply, especially in recent months, partly because of serious freeze damage in some areas. Prices for fish and for fats and oils products also were higher than in the previous quarter. Prices declined for pork and eggs.

Farm prices of products used for food went up 4 percent in the first quarter, considerably more than retail prices. As a result the farm-retail spread dropped more than 1½ percent, the first decline in 2 years.

Food Prices Above Year Ago

Retail store prices of food in the January-March quarter averaged 0.8 percent higher than a year ago. Several major groups were up 5 percent or more with fish and fats and oils products up almost 12 percent.

Changes in retail food prices, first quarter, 1971

Item	From fourth quarter 1970	From first quarter 1970
	Percent	*Percent*
Meat	-1.0	-3.1
Poultry	.9	-4.2
Fish	3.1	11.5
Dairy products	.5	3.3
Eggs	-1.2	-24.4
Fats and oils	3.1	11.6
Fruits and vegetables	2.5	.2
Sugar and sweets	.5	5.0
Cereal and bakery products	1.3	5.7
Beverages	.2	9.0
Other preparations	.7	3.2
Food at home	.6	.8
Food away from home	1.2	6.0
All food	.8	1.9

These increases were nearly offset by sharp decreases for eggs, poultry, and meat, mainly pork.

Wholesale Prices

Wholesale prices of foods increased about 2 percent in the first quarter, but were still 1 percent lower than a year earlier (table 13). Prices of eggs were down 36 percent from a year ago, pork 21 percent, and poultry 8 percent. Vegetable oil products increased the most, 12 percent.

Wholesale food price levels below a year ago contrasted sharply with the 3.6 percent increase for industrial commodities. The 1 percent rise of industrial prices from the fourth quarter of 1970 indicates that the rate of inflation for these commodities remains a problem, with increases running at about the same rate as the year-to-year advances during 1970.

Outlook for 1971

Food prices probably will continue upward through mid-summer with seasonal factors accounting for part of the increase (figure 3). The economic situation will

Table 1.--Consumer, wholesale, and farm price indexes, 1970-71
(1967=100)

Item	1970					1971 I	
	I	II	III	IV	Year	Index	Percent change 1970-71
Retail prices: 1/							
All goods and services (CPI)	113.9	115.7	117.0	118.6	116.3	119.5	4.9
All items less food	113.9	116.0	117.4	119.6	116.7	120.4	5.7
All food	113.9	114.9	115.8	115.2	114.9	116.1	1.9
Food at home	113.2	113.7	114.4	113.4	113.7	114.1	.8
Food away from home	116.9	119.3	121.0	122.4	119.9	123.9	6.0
Wholesale prices: 1/							
All commodities	109.6	110.1	110.8	111.0	110.4	112.5	2.6
Industrial commodities	108.6	109.6	110.2	111.4	110.0	112.5	3.6
Farm products	113.8	111.5	111.3	107.3	111.0	111.9	-1.7
Processed food	113.3	113.4	114.3	112.0	113.2	113.7	.4
All food 2/	114.9	113.4	114.0	111.7	113.5	113.9	-.9
Prices received by farmers: 3/							
Crops	97	101	103	101	101	105	8.2
Livestock and products	125	118	117	110	118	114	-8.8
Average	114	111	111	106	110	110	-3.5
Market basket of U.S. farm foods: 4/							
Retail cost	113.5	113.6	114.3	112.4	113.4	112.8	-.6
Farm-retail spread	107.9	111.6	113.0	115.0	111.8	113.0	4.7
Farm value	122.4	116.8	116.4	108.2	116.0	112.5	-8.1

1/ Department of Labor, Bureau of Labor Statistics.

2/ All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group.

3/ Statistical Reporting Service.

4/ Economic Research Service.

continue to improve with rising incomes and an improved employment picture. As price increases slacken in other sectors of the economy, real discretionary incomes could rise and lessen consumer resistance to higher food prices. In the second half of the year, retail prices probably will continue to average higher than a year earlier as farm prices move above 1970 levels in response to smaller supplies for some products. Charges for marketing the food products will rise at a much slower rate than during 1970, though they are still feeling the effects of increases in several cost items and will continue above those of a year ago.

Prices for pork and eggs which are down sharply for the first half will average significantly lower in 1971 than in 1970, while dairy product prices likely will rise again. Poultry and beef price may average near last year's level.

Although some food product prices are now lower than a year ago, the expected increases the rest of the year will leave prices of nearly every product higher at the end of this year than at the end of 1970. As a result the food price likely will average 2½ to 3 percent higher this year with food-at-home prices up around 2 percent.

FOOD SPENDING AND INCOME

Food Spending Rises

Personal consumption expenditures for food remained relatively stable during the first quarter of 1971. They totaled $117 billion (seasonally adjusted, annual rate), up only $0.6 billion from fourth quarter of 1970 (table 2). This was the smallest quarterly increase since 1967. Higher prices accounted for all of the rise, implying no change in the quantity purchased.

Expenditures for food used at home increased at a slower rate than total food, while those for food away from home increased faster. When rising prices are taken into consideration, real expenditures for food away from home actually decreased fractionally from the fourth quarter, but were slightly higher than a year ago. However, the year-to-year rise was less than half the population increase, so per capita use declined.

While food expenditures slowed in the first quarter, total consumer spending moved up nearly 3 percent, marking a good recovery from the restrained level at the end of last year. The gain brought total expenditures more in line with the trend in the first half of 1970. About a third of the first quarter increase was due to

Table 2.—Expenditures for food in relation to disposable income, 1960 and 1965-71[1]

Year	Disposable personal income	Personal consumption expenditures for food[2]					
		For use at home[3]		Away from home[4]		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.2	78.9	13.3	20.7	3.5	99.6	16.8
1969	631.6	83.6	13.3	21.7	3.4	105.3	16.7
1970	684.8	90.7	13.3	23.5	3.4	114.2	16.7
I	665.3	88.9	13.4	22.9	3.4	111.8	16.8
II	683.6	90.4	13.2	23.5	3.5	113.9	16.7
III	693.0	91.3	13.2	23.5	3.4	114.8	16.6
IV	697.2	92.4	13.3	24.0	3.4	116.4	16.7
1971							
I[5]	714.9	92.8	13.0	24.2	3.4	117.0	16.4

[1] Quarterly data are seasonally adjusted annual rates. [2] Derived from data of Department of Commerce, *Survey of Current Business* and *The National Income and Product Accounts of the United States, 1929-65*, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 *Census of Business* Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. [3] Includes food consumed on farms where produced. [4] Includes food served to the military and employees of hospitals, prisons, and food service establishments. [5] Preliminary..

Change in Food Expenditures, first quarter, 1971

Item	From fourth quarter 1970	From first quarter 1970
	Percent	*Percent*
Total Food		
Current dollars	0.6	4.7
1958 dollars	([1])	2.9
Food at home		
Current dollars	.5	4.4
1958 dollars	.1	3.6
Food away from home		
Current dollars	1.0	6.5
1958 dollars	-0.3	.5

[1] Less than 0.05 percent.

Quarterly changes in personal expenditures and retail sales

Item	1970			1971
	II	III	IV	I
	Percent	*Percent*	*Percent*	*Percent*
Total personal consumption expenditures	1.9	1.3	0.8	2.8
Durable goods	3.1	-.8	-6.5	12.7
Nondurable goods	1.5	1.2	2.1	.4
Food	1.9	.8	1.4	.6
Services	1.8	2.0	1.9	2.1
Retail sales	2.5	.9	-1.2	3.2

price rises. Large changes for durable goods, mainly autos, caused most of the sharp drop in the rate of increase for the third and fourth quarters of 1970 and the subsequent boost in the beginning quarter this year.

Food Programs Larger

Participation in the Food Stamp Program continues to grow (table 3) and in February it was almost 2½ times that of a year ago. Participation in the Commodity Distribution Program remained relatively stable during the 12 months preceding February despite a switch to food stamps by a number of areas previously served. Combined participation in these programs increased two-thirds between February of 1970 and 1971.

The importance of these programs in relation to total consumer food expenditures continues to expand. They accounted for just over 2 percent of total food spending during the first 3 quarters of last year and almost 3

Table 3.—USDA food programs: Participation and value by months, 1970 and 1971

Month	Participation		Total value		
	Food stamps	Commodities	Food stamps		Commodities[1]
			Total issued	Bonus stamps	
	Millions	*Millions*	*Million dollars*	*Million dollars*	*Million dollars*
1970					
January	3.8	3.9	68.2	26.9	23.4
February	4.4	4.0	98.6	54.9	24.1
March	5.2	4.1	120.0	70.8	24.3
April	5.6	4.1	134.1	80.3	24.6
May	6.1	4.0	144.6	86.5	24.1
June	6.5	4.0	154.0	91.6	23.7
July	6.9	3.8	164.8	98.1	22.8
August	7.2	3.9	171.2	100.2	23.0
September	8.1	3.5	198.3	116.7	21.2
October	8.9	3.6	208.0	120.8	21.8
November	9.5	3.6	225.4	126.9	25.1
December[2]	9.5	3.7	231.5	129.7	26.8
1971					
January[2]	9.8	3.8	233.0	130.8	26.4
February[2]	10.2	3.9	245.1	136.7	26.7
March					
April					
May					
June					

[1] Cost to the Federal Government.
[2] Preliminary.

percent during the fourth quarter of last year and the first 2 months of this year.[1]

However, participation in the Food Stamp Program may be leveling off with family food programs available in nearly all counties and an improving employment situation. The value of food stamps distributed (including purchases by participants) increased about 35 percent during the fourth quarter of 1970 and nearly 15 percent in the first 3 months of 1971.

Disposable Personal Income

Disposable personal income, which increased only slightly during the fourth quarter of 1970 because of the economic slowdown, showed signs of recovery in the first quarter this year with a 2.5 percent quarterly increase to $715 billion (seasonally adjusted annual rate). Nearly a third of the increase was due to higher Government wages and salaries, lower federal withholding rates for some people, and larger Social Security payments; other wage and salary increases also contributed significantly to the rise.

The share of the Nation's disposable income allocated to food expenditures decreased from 16.7 percent in the fourth quarter of 1970 to 16.4 percent in January-March this year (figure 4).

Outlook for 1971

Improved disposable income and total consumer spending in early 1971 reflect recovery of the economy from the stagnation in late 1970. Although the sharp increases in expenditures are due more to catch-up buying for autos than to general expansion of the economy, some indicators promise larger gains later in the year. For example the personal saving rate declined steadily from 7.6 percent in the third quarter last year to 7.2 percent in early 1971, though it is still relatively high. Retail sales picked up, indicating more consumer confidence and the potential for strengthening of demand the rest of the year.

Demand for food will continue strong as income and population increases override the pressure of larger food supplies. As a result total food expenditures in 1971 probably will average 5 percent higher than in 1970.

PER CAPITA FOOD CONSUMPTION

Another substantial increase in food consumption is likely this year. Most of the gain will be in meat and fruit. Increased consumption of those items will outweigh declines for chicken, fish, dairy products, sugar and sweeteners, and coffee (table 4).

In the first quarter of 1971 per capita consumption of all livestock products was 3 percent above a year earlier (table 5 and figure 5). Red meat, up 7 percent, accounted for nearly all of the gain though egg consumption also was higher. Poultry consumption was about the same and use of dairy products and animal fats was 2 and 3 percent less, respectively. The margin over last year's livestock consumption levels probably will widen in the second quarter, as meat consumption likely reaches its peak for the year; last year they both were lowest in that quarter. In the remainder of the year, consumption of all livestock products will average close to last year's high levels.

Throughout 1971 red meat consumption per capita may remain near the record rate attained late last year. It may average only slightly below that level until midyear then will decline somewhat. Chicken consumption will average slightly lower, especially during the first half when pork supplies are extremely large.

The 5 percent decline in per capita consumption of livestock products that occurred from the fourth quarter 1970 to the first quarter this year was almost entirely seasonal. After seasonal adjustment, consumption of all of those items except dairy products moved up.

Per capita consumption indexes, seasonally adjusted

Period	Total livestock	Meat
	1967=100	
1970 I	100.5	101.2
II	101.8	103.0
III	102.9	104.9
IV	103.9	107.5
1971 I	103.5	108.1

With a worldwide shortage limiting imports and an expected decline in the domestic catch, fish consumption will also be curtailed.

Ample supplies of processed fruits carried over from last year's pack plus the increased processing from this year's large citrus crop promise a big boost in consumption of processed fruits in 1971.

Fresh vegetable supplies have been short during much of the winter and early spring, largely because of unfavorable weather. They likely will remain lower than last year through spring, with production expected to be down 3 to 4 percent. Supplies of processed vegetables are well below the high levels of the previous 2 seasons. Planting intentions suggest slightly larger packs of canned vegetables and materially larger frozen packs will be forthcoming later this year.

Food From Livestock

Red meat consumption averaged about 3 pounds more per person in first quarter 1971 than a year earlier. A small decline from the record rate of fourth quarter 1970 was less than the usual seasonal drop. Pork

[1] The total value of programs includes the estimated retail value of commodities distributed and total value of food stamps.

Table 4.--Food consumption per capita, 1960-71 1/
(1967=100)

Selected years	Meat	Poultry	Fish	Eggs	Dairy products 2/	Fats and oils			Fruits 3/		
						Animal 2/	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	99	103	101
1970 4/	104	109	105	98	99	91	116	107	102	103	102

	Vegetables 6/			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crops 7/	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	105	101	99	110	101	104	96	101.1	102.0	101.5
1970 4/	100	102	101	96	113	99	106	94	102.4	102.5	102.4
1971 5/									103.7	102.8	103.3

1/ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in table 4, National Food Situation, NFS-135 (February 1971), pp. 10,11.
2/ Includes butter.
3/ Excludes melons and baby food.
4/ Preliminary.
5/ Preliminary indications.
6/ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes.
7/ Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 5.--Livestock products: Per capita civilian consumption indexes, quarterly, 1966-71 1/
(1967=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Animal fats, including butter	Total livestock products 2/
				Excluding butter	Including butter		
1966 I	92.5	75.6	97.4	103.7	104.4	106.7	94.9
II	94.6	87.9	94.5	103.4	103.2	95.5	96.5
III	97.0	102.1	95.5	102.2	101.2	93.3	98.8
IV	100.1	117.0	100.8	99.2	99.7	102.5	101.7
1967 I	100.5	80.8	100.1	99.9	100.4	103.6	98.4
II	98.6	94.0	97.2	103.4	102.8	93.6	99.3
III	100.0	104.9	99.1	99.6	99.1	97.2	100.2
IV	100.7	120.1	103.4	97.1	97.7	105.7	102.0
1968 I	102.2	84.5	102.5	97.8	98.4	106.1	99.1
II	99.7	91.4	97.6	104.4	104.2	99.3	100.2
III	103.1	102.6	96.6	102.3	101.7	97.2	102.1
IV	105.9	116.8	99.6	99.5	100.0	107.5	104.7
1969 I	102.9	85.2	99.4	97.9	98.5	100.7	99.2
II	99.5	97.3	97.0	102.5	101.9	88.1	99.6
III	102.7	106.9	96.9	100.3	99.8	95.6	101.8
IV	103.7	123.5	99.1	98.9	99.0	95.2	103.7
1970 3/ I	101.4	93.5	98.8	96.3	96.5	96.8	98.7
II	100.9	102.8	96.5	102.6	101.5	83.7	100.7
III	105.0	114.7	97.3	99.7	99.2	86.1	103.2
IV	109.3	127.1	100.9	97.6	97.7	97.1	106.6
1971 3/ I	108.3	93.6	99.7	94.8	95.1	93.6	101.6

1/ Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in Food Consumption, Prices, and Expenditures, Agricultural Economics Report No. 138, July 1968. To convert indexes for earlier years to 1967=100, multiply by the following factors: Meat, .90744; poultry, .73260; eggs, .11013; dairy products, exclude butter, .10504; include butter, .10776; animal fats, .13316; total livestock products, .96061.
2/ Excludes fish and honey. 3/ Preliminary.

accounted for all of the year-to-year increase. Beef consumption was about the same as a year ago while consumption of veal and of lamb and mutton was down.

First quarter beef consumption was about steady. There was slightly larger production, but reduced imports. This spring both production and imports are expected to be larger than a year earlier and summer production likely will continue somewhat higher. The increase will be in fed cattle since cow slaughter is expected to run near year-earlier levels.

Late in 1970 pork consumption jumped sharply, to 19.0 pounds per person in October-December. For the first 3 months this year this level has been about maintained, averaging about 3 pounds per person above a year ago. By summer, however, increases over a year earlier will be small and consumption in the fourth quarter probably will not match the high rate late last year.

Lamb consumption dropped to 3.3 pounds per person last year continuing a long term downtrend. Another small decline is likely for 1971, even though lamb output has run a little larger so far this year.

Chicken was consumed at a rate of 8.9 pounds per person during the first quarter of 1971, about the same as a year ago. In the next few months it may not reach the high levels of last year. But during the last half of 1971, consumption likely will approach the record levels experienced last year.

Milk and dairy product supplies during the rest of 1971 will be more than adequate for commercial demand with the excess going to the Commodity Credit Corporation. On April 1, USDA raised support prices of manufacturing milk 6 percent, implemented by a lower buying price for butter and a 17 percent higher price for nonfat dry milk. These changes may slow the decline in milkfat consumption and dampen consumption of milk solids not fat. Per capita consumption of all dairy products will likely continue downward at about the 1-percent rate of recent years. Last year, per capita consumption of fresh fluid products, butter, frozen desserts, and canned milk dropped while use of cheese increased and use of nonfat dry milk moved up fractionally.

USDA removed from the commercial market dairy products equivalent to 2.7 billion pounds of milk in the first quarter, about double year-earlier rates with a sharp boost in butter purchases accounting for much of the increase. Nonfat dry milk removals were about the same as in January-March 1970.

Stocks of all dairy products on April 1 were equivalent to about 6.3 billion pounds of milk, 1½ billion above last April. Commercial holdings were up only slightly, but government stocks of butter about doubled. Stocks of products are expected to rise seasonally in the second quarter and to exceed a year earlier in coming months.

Food fat consumption in 1971 is estimated around 53 pounds (fat content) per person, approximately the same as last year. A slight increase for salad and cooking oils is in prospect while table spreads (butter and margarine) and cooking fats (lard and shortening) probably will show little change.

Food From Crops

Consumption of fresh fruit in 1971 may trail the rather large 82 pounds per person consumed in 1970 (table 6). Fresh use of apples and other deciduous fruits could decline a little and fresh use of citrus may only match last year's rate. Nevertheless, with a substantial increase expected in consumption of processed fruits—largely citrus juices—per capita use of all fruits should increase to the highest level in over a decade (table 4).

Freezes early this year reduced the orange crop from the estimates at the beginning of the year. Even so, this year's crop will be a record and 7 percent larger than 1970. Much of the crop will end up as frozen juice. A 9-percent larger grapefruit crop likely means a substantially larger pack of canned juice. Total canned fruit juice consumption, on the downtrend since the late 1940's, is expected to increase to a level exceeding any year in the 1960's. And use of frozen citrus juice will undoubtedly reach a new high this year.

Current supplies of deciduous fruit, though adequate, are a little less than last year. Moderately fewer apples were in cold storage on April 1 than the large quantities a year earlier. The peach crop will be late because of freezes and as yet no official USDA estimate of the crop has been made.

Stocks of most canned deciduous fruits appear somewhat below the relatively high levels of last year. Stocks of most frozen fruits also are smaller, but frozen strawberries in cold storage on April 1 were 20 percent above year-earlier levels.

Fresh vegetable supplies this spring will be moderately smaller than a year ago, with a 3 to 4 percent cut in production prospects for 15 vegetables which account for more than three-fourths of the crop. Early spring vegetable production is down 8 percent, due mainly to a substantially smaller lettuce crop; lettuce acreage this spring is down nearly 20 percent from last year. A few spring vegetables, especially celery, are up. Brief cold spells in Florida in late January through March checked development of tender crops, reducing and delaying harvests of sweet corn, peppers, cucumbers and tomatoes. A January cold wave checked growth of the lettuce crop in both California and Arizona. This cold reached into Mexico and was partly responsible for reducing tomato imports. Vegetable prices advanced sharply during February and March, but have since eased off and should decline further as supplies increase seasonally.

Processed vegetable supplies are well below high levels of the previous two seasons. Stocks of frozen vegetables on April 1 were about 15 percent less than on the same date a year earlier and movement into

Table 6 .--Civilian per capita consumption of major food commodities (primary distribution weight) and civilian population, average 1957-59, annual 1966-70 1/

Commodity	Average 1957-59	1966	1967	1968	1969	1970	1970 as percentage of 1969
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Percent
Meats (carcass weight)	156.6	170.9	178.3	183.2	182.5	186.2	102
Beef	82.1	104.2	106.5	109.7	110.8	113.8	103
Veal	7.1	4.6	3.8	3.6	3.3	2.9	88
Lamb and mutton	4.4	4.0	3.9	3.7	3.4	3.3	97
Pork (excluding lard)	63.0	58.1	64.1	66.2	65.0	66.2	102
Fish (edible weight)	10.5	10.8	10.9	11.0	11.1	11.4	103
Poultry products:							
Eggs (farm basis)--Number	356	314	324	321	318	319	100
Chicken (ready-to-cook)	27.5	36.1	37.2	37.5	39.1	42.3	108
Turkey (ready-to-cook)	6.0	7.8	8.6	8.0	8.3	8.1	98
Dairy products:							
Cheese	7.9	9.8	10.1	10.6	10.9	11.5	106
Condensed and evaporated milk	14.8	9.7	9.0	8.9	8.0	7.4	92
Fluid milk and cream (milk equivalent)	337	297	285	280	272	264	97
Ice cream (product weight)	18.4	18.2	17.8	18.4	18.0	17.8	99
Fats and oils--Total, fat content	45.3	49.7	49.4	51.2	51.9	53.2	103
Butter (actual weight)	8.2	5.7	5.5	5.7	5.4	5.3	98
Margarine (actual weight)	8.9	10.5	10.5	10.8	10.8	11.0	102
Lard	9.3	5.5	5.4	5.6	5.1	4.6	90
Shortening	11.4	15.9	15.9	16.3	17.1	17.3	101
Other edible fats and oils	10.8	15.2	15.1	16.0	16.8	18.2	108
Fruits:							
Fresh	95.5	81.4	80.9	78.3	79.0	82.0	104
Citrus	34.0	29.1	31.6	26.3	28.3	28.4	100
Apples (commercial)	21.0	16.0	16.2	15.7	14.9	18.6	125
Other (excluding melons)	40.5	36.3	33.1	36.3	35.8	35.0	98
Processed:							
Canned fruit	22.4	22.9	22.6	21.9	24.2	22.9	95
Canned juice	13.5	11.7	11.7	12.2	14.6	13.7	94
Frozen (including juices)	8.6	8.1	10.1	9.4	9.3	9.9	106
Dried	3.3	3.0	2.8	2.8	2.9	2.8	97
Vegetables:							
Fresh 2/	104.1	96.0	98.1	98.7	98.6	99.5	101
Canned, excluding potatoes and sweetpotatoes	43.3	47.4	48.9	50.4	51.4	51.0	99
Frozen, excluding potatoes	6.6	8.8	9.0	9.6	9.1	9.0	99
Potatoes, fresh equivalent	106.9	113.6	111.5	115.8	117.5	118.2	101
Sweetpotatoes, fresh equivalent	8.3	6.3	5.8	5.7	6.1	5.6	92
Grains:							
Cornmeal and flour	7.4	6.9	7.2	7.4	7.4	7.4	100
Corn sirup	9.4	14.0	14.1	14.8	15.2	15.8	104
Corn sugar	3.6	4.6	4.6	4.7	4.9	4.9	100
Wheat flour 3/	120	112	112	112	112	110	98
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.3	7.5	7.9	8.3	7.4	89
Other:							
Coffee (green beans)	15.7	14.5	14.8	14.9	14.2	13.8	97
Tea	.58	.69	.69	.73	.73	.72	99
Cocoa beans	3.5	4.2	4.2	4.3	3.9	3.9	100
Peanuts (shelled)	4.6	5.5	5.7	5.8	5.9	5.9	100
Dry edible beans	7.7	6.3	6.9	6.3	6.8	5.9	87
Melons	25.1	22.0	22.4	22.4	23.0	23.2	101
Sugar (refined)	96.1	97.6	97.3	100.1	100.1	102.5	102
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Percent
Civilian population 4/	171.5	193.3	195.2	197.0	199.1	201.6	101

1/ Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August.

2/ Commercial production for sale as fresh produce.

3/ Includes white, whole wheat, and semolina flour.

4/ July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice. Data are revised in line with the 1970 census of population benchmark.

Note: Per capita consumption data reflect revised population series.

consumption is brisk. Farmers plan to plant 3 percent more acres to 8 major processing vegetables. These intentions suggest slightly larger packs of canned vegetables and materially larger frozen packs. Per capita consumption of canned vegetables for the year will be about the same as the 51 pounds in 1970 while use of frozen vegetables will likely be above the 9 pounds per person last year.

Potato stocks on March 1 were record large and 8 percent larger than a year ago. Disposition of the record 1970 fall crop has been heavy, with processing use largely responsible for the gain. Stocks of frozen potato products have increased substantially and per capita consumption is expected to continue to advance at the rapid clip of recent years. Combined supplies of early spring and late spring potato crops, primarily for fresh use, are not expected to be greatly different from last year. Growers intend to plant a slightly larger acreage than last year which could mean a late summer and fall crop close to the record level of 1970.

Prospective sweetpotato acreage is the smallest of record. Decline in demand and the scarcity of labor in several producing areas continue to discourage production. Per capita consumption dropped half a pound in 1970, and a similar decline is in prospect this year.

Dry bean stocks are relatively low, because adverse growing weather cut the 1970 crop, limiting supplies. Though growers intend to plant 4 percent less acreage in 1971, a return to average yields would boost production 1 percent. Consumption this year is expected to increase slightly over the 5.9 pounds of last year, the lowest since the early 1920's.

Consumption of food products made from corn rose 2 percent in 1970 over 1969, continuing a 15-year uptrend. An estimated 220 million bushels of corn were used in making food products in 1970, 5 million more than in 1969. Per capita consumption of corn products increased nearly 30 percent from 1960 to 1970—due largely to increased consumption of the 2 major wet process products—corn sirup and sugar. Combined production of dry process products—cornmeal, hominy grits and prepared cereals—made only a slight gain during the 1960's (table 7).

In 1970 about 135 million bushels of corn were processed into domestic food products by the wet milling industry, 62 percent of the corn for food use. Corn sirup, the major food product, increased to about 16 pounds per capita, up 4 percent from 1969 and 17 percent over 5 years ago. Consumption of dry process corn products was relatively stable during the 1960's, following a long-term downtrend. Consumption of cornmeal increased slightly and consumption of hominy and grits has been 4 to 5 pounds per capita since 1965.

The consumption of prepared corn breakfast cereals has grown steadily during the past 20 years, and the 2.3 pounds consumed per capita in 1970 was nearly 50 percent higher than in the early 1950's. Ready-to-eat oat cereals have increased rapidly since 1965 but have not fully offset a sharp drop in oatmeal consumption. Total per capita consumption of food products from oats has declined about 15 percent since 1963.

Population Estimates Revised

Annual population estimates for 1961-70 were recently revised by the U.S. Bureau of the Census to agree with the 1970 Census of Population. The downward revisions in civilian population were greatest in 1970, 0.3 percent. These revisions were responsible for corresponding increases in per capita consumption estimates by the same amounts (table 6). However, the per capita food consumption indexes in tables 4 and 5 were not affected significantly by these revisions.

U.S. population, including Armed Forces stationed abroad, totaled 204.8 million on July 1, 1970, a 24.1 million increase from 1960 (table 8). The annual rate of increase slowed from a moderately fast 1.7 percent rate in the 1950's to a creeping 1.0 percent in 1968-70.

Twice within the past two decades the overall size of the Armed Forces increased significantly to more than 3½ million, once in 1952 during the Korean conflict and again in 1968 in the Vietnam war. In both instances the total Armed Forces personnel stationed overseas also increased to a peak not exceeding 1.3 million, and then decreased. Changes in the overall size of the Armed Forces have been pretty much related to military personnel stationed overseas. Since 1954, the size of the Armed Forces within the United States has remained fairly steady between 1.9 and 2.2 million.

The U.S. farm population declined from about 15 percent of total population in about 1950 to about 5 percent in 1970 (table 9). There has been a noticeable slowing in the rate of decline in the farm total since 1968. The decline in farm population just about offset an increase for rural nonfarm population, so total rural population was virtually unchanged although its share of the total declined. Urban population increased from 97.5 million persons in 1950 to 149.8 million in 1970 and now accounts for 73 percent of the total.

Table 7.--Civilian food consumption of corn, oats, and barley, United States, 1950-70 1/

Year	Corn								Oats 3/			Barley 4/		
	Per capita food consumption of corn products						Grain equivalent		Per capita consumption of food products	Grain equivalent		Per capita consumption of food products 5/	Grain equivalent	
	Sirup	Sugar (dextrose)	Starch	Cornmeal and flour 2/	Hominy and grits 2/	Prepared cereals 2/	Total	Per capita		Total	Per capita		Total	Per capita
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.	Lb.	Mil. bu.	Lb.
1950	9.2	4.5	1.9	11.8	2.6	1.5	135	50.5	3.3	31	6.7	1.4	6	2.0
1951	9.0	4.1	1.9	10.8	2.6	1.6	132	49.0	3.3	32	6.8	1.4	6	1.9
1952	8.7	3.9	1.8	10.4	2.5	1.6	130	47.6	3.3	32	6.8	1.3	6	1.9
1953	8.8	4.0	1.8	9.8	2.4	1.6	129	46.2	3.3	33	6.8	1.2	6	1.7
1954	8.8	3.8	1.8	9.3	2.4	1.7	128	44.9	3.2	33	6.7	1.1	5	1.6
1955	9.0	3.7	2.0	8.7	2.7	1.7	132	45.5	3.3	34	6.8	1.0	5	1.5
1956	9.0	3.4	2.0	8.3	3.0	1.7	135	45.7	3.3	36	6.9	1.0	5	1.5
1957	8.9	3.2	1.9	7.9	3.2	1.7	135	44.9	3.4	37	7.1	1.0	5	1.5
1958	9.5	3.7	1.9	7.4	3.5	1.8	141	46.1	3.6	40	7.4	1.0	5	1.5
1959	9.8	3.9	1.9	7.0	3.8	1.8	147	47.3	3.6	41	7.5	1.0	5	1.5
1960	10.1	3.7	1.8	6.6	4.0	1.9	151	47.3	3.6	42	7.5	1.1	6	1.5
1961	10.6	3.7	1.8	6.3	4.3	1.9	155	48.0	3.6	43	7.6	1.1	6	1.5
1962	11.5	3.9	1.8	6.1	4.5	2.0	164	50.2	3.7	44	7.7	1.2	6	1.5
1963	12.3	4.5	1.8	5.9	4.7	2.1	180	54.0	3.7	45	7.8	1.1	7	1.7
1964	13.6	4.4	1.8	6.2	4.6	2.1	188	55.8	3.6	45	7.6	1.1	7	1.8
1965	13.7	4.5	1.8	6.6	4.5	2.2	194	56.7	3.4	44	7.4	1.2	7	1.8
1966	14.0	4.6	1.8	6.9	4.4	2.2	196	56.9	3.3	44	7.2	1.2	7	1.8
1967	14.1	4.6	1.8	7.2	4.3	2.3	202	57.9	3.2	43	7.0	1.2	8	1.9
1968	14.8	4.7	1.9	7.4	4.2	2.3	210	59.6	3.2	43	7.0	1.2	8	1.9
1969 6/	15.4	4.9	1.9	7.4	4.2	2.3	215	60.5	3.2	44	7.0	1.2	8	1.9
1970 6/	16.0	4.9	1.9	7.4	4.2	2.3	220	61.0	3.2	44	7.0	1.2	8	1.9

1/ Consumption of most items at the processing level. Includes Alaska and Hawaii beginning 1960. Excludes quantities used in alcoholic beverages. 2/ Based on data of the Census of Manufactures. 3/ Oatmeal, ready-to-eat oat cereals and oat food products used in infant foods. 4/ Principally malt for food, but includes an allowance for pearl barley and barley used in prepared cereals. 5/ Malt equivalent. 6/ Preliminary.

Table 8.--Trends in U.S. population, July 1, 1947-70 1/

Year	U.S. Armed Forces			U.S. Population				
	Overseas	In U.S.	Total	Civilian resident	Total resident 2/	Total including Armed Forces Overseas	Annual Change	
						Total	No.	Pct.
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
1947	0.6	1.0	1.6	143.1	144.1	144.7	2.8	2.0
1948	.5	1.0	1.5	145.7	146.7	147.2	2.5	1.7
1949	.5	1.1	1.6	148.2	149.3	149.8	2.6	1.7
1950	.4	1.1	1.5	150.8	151.9	152.3	2.5	1.7
1951	.9	2.4	3.3	151.6	154.0	154.9	2.6	1.7
1952	1.2	2.5	3.7	153.9	156.4	157.6	2.7	1.7
1953	1.2	2.4	3.6	156.6	159.0	160.2	2.6	1.7
1954	1.1	2.2	3.3	159.7	161.9	163.0	2.8	1.8
1955	.8	2.1	2.9	163.0	165.1	165.9	2.9	1.8
1956	.8	2.0	2.8	166.1	168.1	168.9	3.0	1.8
1957	.8	2.1	2.9	169.1	171.2	172.0	3.1	1.8
1958	.8	1.9	2.7	172.2	174.1	174.9	2.9	1.7
1959	.7	1.8	2.5	175.3	177.1	177.8	2.9	1.7
1960	.7	1.9	2.6	178.1	180.0	180.7	2.9	1.6
1961	.7	1.9	2.6	181.1	183.0	183.7	3.0	1.7
1962	.8	2.1	2.9	183.6	185.7	186.5	2.8	1.5
1963	.8	2.0	2.8	186.4	188.4	189.2	2.7	1.4
1964	.7	2.0	2.7	189.1	191.1	191.8	2.6	1.4
1965	.8	1.9	2.7	191.5	193.5	194.2	2.4	1.3
1966	1.0	2.2	3.2	193.3	195.5	196.5	2.3	1.2
1967	1.2	2.2	3.4	195.2	197.4	198.6	2.1	1.1
1968	1.3	2.3	3.6	197.0	199.3	200.6	2.0	1.0
1969	1.3	2.2	3.5	199.1	201.3	202.6	2.0	1.0
1970 3/	1.1	2.1	3.2	201.6	203.7	204.8	2.2	1.1

1/ Includes Alaska and Hawaii all years. Excludes civilian population overseas.

2/ Total resident population includes civilian resident population plus Armed Forces stationed in the United States.

3/ Preliminary.

Source: Adapted from data published in Current Population Reports: Estimates and Projections, "Estimates of the population of the United States, by type of population, January 1, 1950 to February 1, 1971". Series P-25, No. 457. U.S. Department of Commerce, Bureau of the Census. March 25, 1971. Page 2 and preceding issues.

Table 9.--Trends in U.S. population by urbanization, July 1, 1947-70 1/

Year	Urbanization: Rural: Farm 2/	Urbanization: Rural: Non-farm 3/	Urbanization: Rural: Total 3/	Urbanization: Urban 3/	Urbanization: Total	Urbanization: Total including Armed Forces overseas	Percentage distribution: Rural population: Farm 2/	Percentage distribution: Rural population: Non-farm 3/	Percentage distribution: Rural population: Total 3/	Percentage distribution: Urban 3/	Percentage distribution: Total	Percentage distribution: Total including Armed Forces overseas
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1947	25.5	29.8	55.3	88.8	144.1	144.7	17.6	20.6	38.2	61.4	99.6	100.0
1948	24.3	30.7	55.0	91.7	146.7	147.2	16.6	20.8	37.4	62.3	99.7	100.0
1949	23.9	30.8	54.7	94.6	149.3	149.8	16.0	20.5	36.5	63.2	99.7	100.0
1950	22.8	31.6	54.4	97.5	151.9	152.3	14.9	20.8	35.7	64.0	99.7	100.0
1951	21.9	32.5	54.4	99.6	154.0	154.9	14.1	21.0	35.1	64.3	99.4	100.0
1952	21.3	33.0	54.3	102.1	156.4	157.6	13.5	21.0	34.5	64.8	99.3	100.0
1953	19.7	34.6	54.3	104.7	159.0	160.2	12.3	21.6	33.9	65.3	99.2	100.0
1954	19.0	35.3	54.3	107.6	161.9	163.0	11.7	21.6	33.3	66.0	99.3	100.0
1955	19.0	35.3	54.3	110.8	165.1	165.9	11.4	21.3	32.7	66.8	99.5	100.0
1956	18.4	35.8	54.2	113.9	168.1	168.9	10.9	21.2	32.1	67.4	99.5	100.0
1957	17.5	36.7	54.2	117.0	171.2	172.0	10.2	21.3	31.5	68.0	99.5	100.0
1958	17.0	37.1	54.1	120.0	174.1	174.9	9.7	21.2	30.9	68.7	99.6	100.0
1959	16.4	37.7	54.1	123.0	177.1	177.8	9.2	21.2	30.4	69.2	99.6	100.0
1960	15.4	38.7	54.1	125.9	180.0	180.7	8.5	21.4	29.9	69.7	99.6	100.0
1961	14.7	39.4	54.1	128.9	183.0	183.7	8.0	21.4	29.4	70.2	99.6	100.0
1962	14.1	39.9	54.0	131.7	185.7	186.5	7.6	21.4	29.0	70.6	99.6	100.0
1963	13.3	40.7	54.0	134.4	188.4	189.2	7.0	21.6	28.6	71.0	99.6	100.0
1964	12.8	41.2	54.0	137.1	191.1	191.8	6.7	21.4	28.1	71.5	99.6	100.0
1965	12.2	41.8	54.0	139.5	193.5	194.2	6.3	21.5	27.8	71.8	99.6	100.0
1966	11.4	42.6	54.0	141.5	195.5	196.5	5.8	21.7	27.5	72.0	99.5	100.0
1967	10.8	43.2	54.0	143.4	197.4	198.6	5.4	21.8	27.2	72.2	99.4	100.0
1968	10.4	43.5	53.9	145.4	199.3	200.6	5.2	21.7	26.9	72.5	99.4	100.0
1969	10.2	43.7	53.9	147.4	201.3	202.6	5.0	21.6	26.6	72.8	99.4	100.0
1970 4/	10.0	43.9	53.9	149.8	203.7	204.8	4.9	21.4	26.3	73.2	99.5	100.0

1/ Includes Alaska and Hawaii for all years. Excludes civilian population overseas.
2/ Farm population levels on July 1 basis interpolated pro rata from data published on April 1 basis.
3/ Rural nonfarm population, rural population, and urban population levels on July 1 basis; interpolated pro rata based on April 1 Census bench marks for 1940, 1950, 1960, and 1970.
4/ Preliminary.

Source: Adapted from population data published by the Bureau of the Census.

FISHERY PRODUCTS SITUATION[2]

Per capita consumption of edible fish and shellfish was 11.4 pounds in 1970, up from the 11.1 pounds in 1969. Both the fresh and frozen and the canned products categories gained 0.2 pound per capita. These gains were partially offset by a 0.1 pound drop for cured products. The net gain of 0.3 pound was one of the largest in several years. The increase was even more impressive in light of the rather sharp gains in prices for most items.

Retail fish prices continued their steady upward advance in first quarter 1971. First quarter prices advanced 3 percent from the previous quarter and were 12 percent higher than first quarter last year. Although higher raw material costs account for most of the gains in consumer prices, the general increase in prices in the economy and rising costs of doing business also contributed.

Higher prices are being paid not only for domestic fish but also for imported fish. For many varieties of fish, world production is at about maximum tonnage. However, demand in the United States, Western and Eastern Europe, and Japan is growing. Consequently, growing demand with relatively stable, and in some cases declining, supplies is pushing prices upward.

The cost-price squeeze for many of the traditionally popular fish species likely will result in some substitution this year for lesser known, more abundant, and relatively cheaper varieties of fish. These substitutions are likely to occur earliest in fast-food chains, fish and chips outlets, and school lunches.

Consumption of fresh and frozen fishery products in the first quarter of 1971 was probably below first quarter last year. Lower supplies rather than higher prices likely accounted for most of the decline. Imports were off from early 1970, and domestic production was seasonally low in the first quarter.

The current shortage in world fish supplies and growing demand in other countries is reflected in a nearly 30-million-pound drop in fish imports during January-February this year.

To partially compensate for declining imports, processors have drawn heavily from inventories of frozen fish. The decline in inventories in the first quarter was 99 million pounds compared with 76 million pounds last year. Inventories on hand at the start of the second quarter indicate few products where supplies are relatively plentiful. These include frozen salmon, flounder and ocean perch fillets, and whiting.

The supply situation for canned fishery products is somewhat more favorable than for frozen products. Inventories of canned tuna, salmon, and shrimp are generally ample for trade needs. Only Maine sardines are likely to be limited in coming months. Prices of canned fish likely will be higher than a year ago in coming months, again reflecting rising costs of raw fish.

SUGAR AND TROPICAL PRODUCTS—SITUATION AND OUTLOOK

Sugar Consumption

Per capita sugar consumption totaled 102.5 pounds last year, up from 100 pounds in 1969. Physical deliveries through April 30 this year totaled 3.5 million tons, fractionally higher than for the same period last year. Per capita consumption in 1971 probably will increase less than the 2½ percent rise in 1970.

Household use (consumer packages) accounted for 24 percent of sugar deliveries last year, down from 25 percent in 1969 and nearly 30 percent in 1965. While its share of sugar consumption declined slightly, total deliveries for household use last year rose. Similarly, use in commercially prepared foods declined slightly in importance last year but its total use increased 5 percent.

Beverage use (largely in soft drinks) increased its share of total sugar consumption from 21 percent in 1969 to 22 percent last year, continuing its increase in recent years. This use accounted for 14 percent of total sugar consumption in 1960 and 17 percent as recently as 1965 and was a major factor in the rise in per capita sugar consumption last year.

Sugar Prices Firm

Raw sugar prices averaged 8.36 cents per pound (New York Spot) for the first 4 months this year, up from the 7.97 cents per pound for the same period last year. The world price (stowed, Caribbean FOB), which has little effect on U.S. prices, averaged 4.72 cents per pound during January-April this year, up significantly from 3.35 cents per pound a year ago, indicating a tightening in world sugar supplies.

U.S. retail sugar prices averaged 13.4 cents per pound during the first quarter this year up from 12.6 cents for the same period last year. Wholesale refined sugar prices have also increased, the amount varying among regions.

Beet Sugar Prospects

Based on March 1 planting intentions, about 1,447,000 acres will be planted to sugarbeets this year, down slightly from 1,475,000 acres last year. This will

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[2] By Donald R. Whitaker, Division of Current Economic Analysis, National Marine Fisheries Service, Department of Commerce.

likely translate into approximately 1,375,000 acres harvested later this crop year, because each year some of the planted acreage is abandoned.

Beet sugar production depends not only on the number of acres harvested but also on the yield of sugar per acre. The yield depends on (1) the yield of beets per acre and (2) the recovery rate of sugar per ton of beets. Beets harvested per acre have averaged around 18 tons for the past 3 years, but the recovery rate varied from 2.3 tons of refined sugar per acre in 1968 to 2.0 tons in 1969; it was 2.2 tons last year.

Assuming a U.S. harvested acreage fractionally lower than last year, and a typical yield of sugar per acre, production of refined beet sugar would be near the 3.11 million tons of 1970. Even with unusual conditions it will likely fall somewhere between 2.75 million and 3.30 million tons (figure 7).

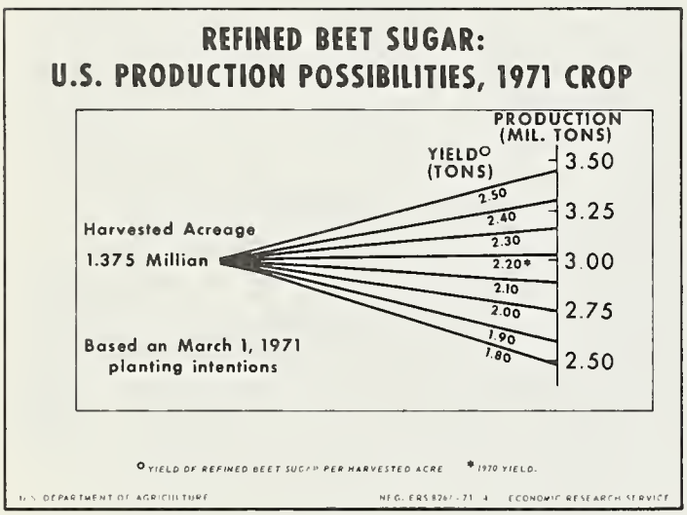

Figure 7

Sugar Act Hearings

The House Agriculture Committee has been holding hearings on sugar legislation because the U.S. Sugar Act expires December 31. Both domestic and foreign interests have presented testimony. The following items have been among those under consideration (1) Size of the domestic and foreign quota shares particularly for mainland cane (Florida and Louisiana) and Puerto Rico. (2) The calculation of the U.S. guideline price, a price which is presently considered in determining the overall size of U.S. consumption requirements. The guide is currently based on the parity index, but there is some interest in having it include the Wholesale Prices Index as well. (3) A reduction in Sugar Act payments to farmers to be offset by higher prices. A lower excise tax is proposed to keep wholesale prices of sugar from rising.

Coffee Consumption Declined Again

Per capita consumption of coffee totaled 13.8 pounds in 1970 (green bean basis), declining from 14.2 pounds in 1969. Per capita consumption this year likely will remain near last year's level.

Per capita coffee consumption has declined slightly over 2 pounds from 16 pounds in 1962. Several reasons have been advanced to explain the decline. For example, the extraction processes for instant coffees are so much more efficient than for home brewing that the green bean measure of coffee consumption tends to understate consumption in recent years and to exaggerate the decline.

Although bean equivalent is not a precise measure of coffee consumption, its direction of change is generally consistent with the trend in coffee consumption on a cup-per-day basis.

Coffee: Per capita consumption

Calendar year	Pounds per year (green bean equivalent)	Cups per day* (6 ounce cups)
1960	15.8	2.77
1961	15.8	2.97
1962	15.9	3.12
1963	15.7	3.01
1964	15.3	2.90
1965	14.8	2.79
1966	14.5	2.86
1967	14.8	2.84
1968	14.9	2.72
1969	14.2	2.68
1970	13.8	2.57

*Data from Pan American Coffee Bureau based on sample survey winter seasons. Based on all persons 10 years and older.

The decline in coffee consumption has also been associated with a sharp decrease in consumption among younger persons, as shown by the table below:

Coffee consumption by age distribution, 1970

Age group	Percent change, 1962-70*	Cup per person per day, 1970*
	Percent	*6-oz. cups*
10-14	-28	0.13
15-19	-29	.77
20-24	-39	1.82
25-29	-31	2.68
30-39	-20	3.61
40-49	-11	3.93
50-59	-2	3.75
60-69	-2	2.96
70 and over	---	2.39
U.S. average	-18	2.57

*Based on data from Pan American Coffee Bureau.

Thus, not only has coffee consumption on a cup basis declined, but the declines have been even greater for those under 40.

Coffee Prices Easing

Wholesale coffee prices eased last year following a sharp rise in the second half of 1969 in response to a severe freeze in Brazil. While wholesale prices peaked in

mid-1970 and remained stable or declined in the latter part of the year, retail prices continued to climb.

Recent coffee prices

Type of coffee	Fourth quarter 1970	First quarter 1971
	Cents per pound	
Wholesale coffee prices		
Green—New York:		
Colombian—Manizales	55.0	52.5
Mexican—Washed	48.8	46.2
Brazilian—Santos No. 4	57.1	52.7
Robusta—Ambriz No. BB	43.4	43.2
Retail coffee prices		
Roasted:		
1 pound can	95.8	94.9
1 pound bag	82.9	82.4
Instant, 6-oz. jar	108.5*	108.6*

*Cents per 6-oz. jar.

Source: BLS data.

In the first quarter, wholesale coffee prices generally declined further. Also, retail prices started down in December and by March were 2½ percent lower than the peak in November.

Generally the easing of green coffee prices late in 1970, and again early this year, partly reflects an anticipated larger world harvest to begin this May and June. Trade sources anticipate that the Brazilian crop—severely reduced in the 1970/71 crop year—will be twice as large in 1971/72 and well above the 1969/70 crop.

Cocoa and Chocolate Consumption Leveled Off

Per capita cocoa consumption of 3.9 pounds in 1970 remained at the 1969 level compared with 4.3 pounds in 1968. Larger world supplies and declining prices last year prevented a further decline in consumption. Per capita consumption this year is expected to exceed last year's level based largely on a bumper world crop, forcing cocoa prices even lower.

Ample Cocoa Supplies

The 1970/71 world cocoa crop (October-September) is estimated to be nearly 4 percent higher than the previous year, and nearly a fifth higher than the poor 1968/69 crop. World production is expected to exceed consumption for the second year in a row, following 4 consecutive years of deficit production, with both foreign and U.S. stocks worked down to low levels.

With larger cocoa supplies now available and with some increase in U.S. stocks of beans last year, U.S. grindings probably will exceed 1970's output, though the thrust of this increase will likely not become evident until the third and fourth quarters. First quarter grindings this year were only fractionally higher than a year ago, and the prospective increase for second quarter grindings is expected to be limited compared with a year ago. Forward sales contracts and the time delay between overseas cocoa purchases and actual deliveries to U.S. cocoa and chocolate manufacturers usually mean a 6 to 9 month lag before the lower cocoa bean prices will be reflected in increased U.S. grindings.

Imports Gain

Reflecting larger available world supplies and lower prices, U.S. imports of cocoa beans totaled 625 million pounds last year, up nearly 30 percent from the 1969 level. Imports this year probably will exceed those in 1970.

Imports of semiprocessed cocoa and chocolate (unsweetened chocolate, cocoa butter, and cocoa powder) totaled 205 million pounds last year, up nearly 15 percent from 1969. Semiprocessed imports this year are expected to match or exceed last year's level.

Prices Steady to Weak

Cocoa bean prices (New York—Spot "Accra") averaged 28.3 cents per pound in the first quarter this year, down 6 cents from the fourth quarter last year and 7.5 cents below the first quarter a year ago. Cocoa butter prices, which averaged 55 cents per pound for the first quarter this year, are also down considerably from a year ago.

Retail prices of both the chocolate bar and chocolate (flavored) sirup in the first quarter this year remain virtually unchanged from the levels in the last half of 1970, though up modestly from first half levels.

Cocoa bean and cocoa butter prices are expected to remain near current levels, largely because of ample supplies. With relatively stable wholesale prices of beans and semiprocessed products, retail cocoa and chocolate prices are likely to remain near current levels for some time.

FOOD SUPPLY AND UTILIZATION

Total net utilization of farm food commodities rose over 3 percent last year compared with a fractional increase in the preceding year (table 10).[3] Most of the increase came from a nearly 5 percent rise in utilization of crop food commodities, led by a 25 percent jump in volume of exports. Utilization of livestock food commodities also increased last year, though only 2 percent.

Total domestic food use increased only slightly over 1 percent. A 2 percent rise in civilian use was partly offset by a 15 percent cutback in military procurement.

[3] Net utilization excludes seed and animal feed uses to avoid duplication in total use.

Table 10.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1950 to date 1/

Year	Supply: Production	Supply: Imports 2/	Supply: Stocks 3/	Total annual utilization	Utilization: Domestic use: Food: Civilian	Utilization: Domestic use: Food: Military	Utilization: Domestic use: Nonfood: Seed and feed	Utilization: Domestic use: Nonfood: Other	Utilization: Domestic use: Total	Exports and shipments 4/
	A.--All food commodities indexes: (1967=100)									
1950	66.7	80.2	72.9	69.3	73.4	78.3	---	107.6	74.5	31.0
1951	65.8	80.7	75.8	71.9	72.9	155.2	---	102.6	75.6	44.4
1952	70.2	79.0	69.6	72.1	75.3	116.0	---	89.6	76.6	38.9
1953	71.7	84.5	73.3	73.3	77.4	107.8	---	93.9	78.6	34.8
1954	73.5	76.3	78.9	74.2	78.5	90.6	---	89.0	79.1	38.0
1955	76.7	80.4	84.6	78.0	81.8	78.6	---	98.0	82.2	47.4
1956	79.7	84.2	88.9	82.0	84.3	79.8	---	99.7	84.8	61.3
1957	79.3	84.6	91.1	81.5	84.0	72.3	---	94.5	84.0	62.7
1958	81.8	87.8	94.0	80.6	83.9	70.8	---	93.0	83.9	56.0
1959	81.2	100.2	106.6	84.1	86.9	69.8	---	96.9	86.9	63.7
1960	85.1	89.7	111.4	85.6	87.6	65.6	---	92.8	87.3	72.6
1961	84.3	95.0	119.1	87.9	89.5	72.1	---	93.6	89.2	78.1
1962	84.2	100.8	120.0	89.8	90.6	74.9	---	98.0	90.4	84.3
1963	88.4	103.1	117.3	93.2	93.2	72.5	---	99.1	93.0	95.0
1964	89.6	93.2	116.2	96.8	95.2	80.4	---	99.0	94.9	110.3
1965	93.8	92.1	105.8	96.3	95.2	90.6	---	102.8	95.4	103.5
1966	92.5	99.7	106.9	98.9	96.8	96.7	---	105.6	97.1	111.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970 6/	98.7	105.2	120.7	106.0	106.1	71.0	---	91.9	104.9	114.1
	B.--All food commodities: Percentage of annual utilization 5/									
1950	89.5	12.0	-1.5	100.0	88.2	2.1	---	4.3	94.6	5.4
1951	85.2	11.6	3.2	100.0	84.6	4.0	---	4.0	92.6	7.4
1952	90.6	11.3	-1.9	100.0	87.1	3.0	---	3.5	93.6	6.4
1953	90.9	11.9	-2.8	100.0	88.0	2.7	---	3.6	94.3	5.7
1954	92.2	10.6	-2.8	100.0	88.3	2.3	---	3.3	93.9	6.1
1955	91.4	10.6	-2.0	100.0	87.4	1.9	---	3.5	92.8	7.2
1956	90.4	10.6	-1.0	100.0	85.9	1.8	---	3.4	91.1	8.9
1957	90.6	10.7	-1.3	100.0	85.9	1.7	---	3.2	90.8	9.2
1958	94.4	11.3	-5.7	100.0	86.9	1.6	---	3.2	91.7	8.3
1959	89.8	12.3	-2.1	100.0	86.2	1.6	---	3.2	91.0	9.0
1960	92.5	10.8	-3.3	100.0	85.4	1.4	---	3.0	89.8	10.2
1961	89.2	11.2	-.4	100.0	84.9	1.5	---	3.0	89.4	10.6
1962	87.3	11.6	1.1	100.0	84.2	1.6	---	3.0	88.8	11.2
1963	88.1	11.5	.4	100.0	83.4	1.4	---	3.0	87.8	12.2
1964	86.1	9.9	4.0	100.0	82.0	1.5	---	2.9	86.4	13.6
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970 6/	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9

Continued--

Table 10.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1950 to date 1/
- Continued -

Year	Supply			Total annual utilization	Utilization					
					Domestic use					Exports and shipments 4/
					Food		Nonfood			
	Production	Imports 2/	Stocks 3/		Civilian	Military	Seed and feed	Other	Total	
	A.--Livestock food commodities (1967=100)									
1950	74.3	33.1	144.2	73.4	71.3	59.6	151.0	120.3	72.6	70.8
1951	73.8	36.1	146.5	74.1	70.4	128.1	149.2	106.6	72.6	79.5
1952	76.2	33.4	109.9	75.1	73.1	99.0	137.4	103.4	74.3	57.4
1953	71.3	29.8	121.4	78.1	75.9	94.2	138.8	115.7	77.8	71.3
1954	81.4	26.2	145.7	80.1	77.7	84.5	157.2	114.7	79.8	81.5
1955	83.6	25.5	151.1	83.1	80.8	78.3	130.8	116.4	82.3	115.7
1956	102.0	24.9	123.5	85.9	83.8	77.1	124.7	121.7	85.0	123.1
1957	84.9	32.1	105.2	84.1	82.7	72.9	116.0	115.1	83.7	101.5
1958	82.9	60.3	97.0	83.0	82.1	68.9	113.3	110.2	82.9	88.9
1959	85.4	72.5	90.6	85.7	85.2	66.5	111.7	105.0	85.5	90.9
1960	86.9	56.9	90.1	86.5	86.2	62.5	112.2	102.7	86.5	90.9
1961	89.3	70.4	93.3	88.4	87.9	66.3	113.5	100.1	88.1	101.0
1962	89.5	91.9	128.9	90.1	89.5	71.5	107.8	104.4	89.7	104.8
1963	92.0	103.5	139.2	93.4	92.2	69.1	106.9	103.7	92.2	144.7
1964	96.6	75.8	130.4	97.4	95.3	78.3	111.9	104.0	95.4	180.1
1965	94.9	71.5	104.0	95.4	94.5	86.1	107.6	103.1	94.7	124.3
1966	96.8	95.0	86.2	97.1	96.7	92.2	113.8	99.7	97.1	100.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970 6/	103.8	124.7	96.8	105.1	106.0	72.8	101.6	97.4	103.7	108.7
	B.--Livestock food commodities: Percentage of annual utilization									
1950	98.6	1.5	-.1	100.0	89.3	1.9	4.2	2.4	97.8	2.2
1951	97.0	1.6	1.4	100.0	87.3	4.0	4.1	2.1	97.5	2.5
1952	99.0	1.4	-.4	100.0	89.3	3.1	3.8	2.0	98.2	1.8
1953	99.6	1.2	-.8	100.0	89.3	2.8	3.7	2.1	97.9	2.1
1954	99.1	1.1	-.2	100.0	89.1	2.4	4.0	2.1	97.6	2.4
1955	98.1	1.0	.9	100.0	89.3	2.2	3.2	2.0	96.7	3.3
1956	98.4	1.0	.6	100.0	89.5	2.1	3.1	2.0	96.7	3.3
1957	98.5	1.2	.3	100.0	90.3	2.0	2.9	2.0	97.2	2.8
1958	97.4	2.4	2	100.0	90.8	1.9	2.9	1.9	97.5	2.5
1959	97.2	2.8	7/	100.0	91.3	1.8	2.6	1.8	97.5	2.5
1960	98.0	2.1	-.1	100.0	91.5	1.7	2.6	1.7	97.5	2.5
1961	98.5	2.6	-1.1	100.0	91.3	1.7	2.7	1.6	97.3	2.7
1962	97.0	3.3	-.3	100.0	91.3	1.8	2.5	1.7	97.3	2.7
1963	96.1	3.6	.3	100.0	90.7	1.7	2.4	1.6	96.4	3.6
1964	96.7	2.5	.8	100.0	90.0	1.9	2.3	1.5	95.7	4.3
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970 6/	96.4	3.9	-.3	100.0	92.6	1.6	2.1	1.3	97.6	2.4

Continued--

Table 10.--Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1950 to date 1/

- Continued -

Year	Supply			Utilization						
					Domestic use					Exports and shipments 4/
					Food		Nonfood			
	Production	Imports 2/	Stocks 3/	Total annual utilization	Civilian	Military	Seed and feed	Other	Total	
	A.--Crop food commodities: (1967=100)									
1950	68.3	92.3	66.8	72.5	80.2	149.0	82.3	108.4	88.6	22.4
1951	64.9	93.7	71.1	76.9	80.3	252.9	85.7	108.9	84.9	38.3
1952	70.3	95.6	63.7	74.9	82.0	174.2	83.0	82.6	83.5	36.0
1953	68.3	101.8	68.0	72.9	82.3	154.3	81.3	83.4	82.5	30.6
1954	68.9	90.5	74.0	71.2	81.7	107.0	77.1	79.4	79.7	37.8
1955	69.0	94.4	81.1	72.5	83.9	79.4	74.6	89.0	80.3	52.6
1956	71.4	99.5	87.1	77.1	85.7	89.4	77.8	89.0	82.6	57.3
1957	72.3	98.5	90.3	77.6	86.5	68.8	76.3	84.6	82.2	57.3
1958	82.3	95.2	93.8	80.1	88.0	77.9	84.8	84.6	86.5	51.4
1959	79.9	107.2	107.1	84.7	90.9	82.5	89.2	93.0	90.3	59.9
1960	85.0	97.9	112.3	86.3	90.8	76.9	89.2	87.9	89.9	70.1
1961	82.8	101.1	120.1	90.2	92.9	93.8	94.9	90.3	93.6	74.9
1962	82.1	102.9	119.3	91.3	92.9	87.7	94.2	94.8	93.5	81.4
1963	86.2	103.0	116.0	93.4	95.5	85.3	93.4	96.7	94.6	88.0
1964	82.8	97.4	115.3	95.0	94.9	87.8	92.2	96.4	93.8	100.5
1965	91.8	97.0	105.7	95.9	96.8	106.9	91.1	102.6	94.8	100.6
1966	92.3	100.5	107.8	103.0	97.0	113.1	104.6	108.4	100.7	113.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970 6/	98.6	100.8	121.8	109.9	106.3	63.8	114.9	89.3	108.8	114.8
	B.--Crop food commodities: Percentage of annual utilization									
1950	85.1	18.5	-3.6	100.0	49.3	1.4	38.7	4.9	94.3	5.7
1951	76.4	17.7	5.9	100.0	46.5	2.2	37.5	4.7	90.9	9.1
1952	85.0	18.6	-3.6	100.0	48.9	1.6	37.1	3.6	91.2	8.8
1953	84.7	20.3	-5.0	100.0	50.4	1.4	37.1	3.8	92.7	7.3
1954	87.6	18.5	-6.1	100.0	51.2	1.0	36.2	3.7	92.1	7.9
1955	86.0	19.0	-5.0	100.0	51.6	.7	34.1	4.0	90.4	9.6
1956	83.8	18.8	-2.6	100.0	49.5	.8	33.4	3.8	87.5	12.5
1957	84.2	18.5	-2.7	100.0	49.8	.6	32.5	3.6	86.5	13.5
1958	93.0	17.3	-10.3	100.0	49.1	.6	35.0	3.5	88.2	11.8
1959	85.3	18.4	-3.7	100.0	47.9	.7	34.8	3.6	87.0	13.0
1960	89.1	16.5	-5.6	100.0	46.9	.6	34.2	3.4	85.1	14.9
1961	83.1	16.3	.6	100.0	46.0	.7	34.8	3.3	84.8	15.2
1962	81.3	16.5	2.2	100.0	45.4	.7	34.1	3.4	83.6	16.4
1963	83.5	16.1	.4	100.0	45.6	.6	33.1	3.4	82.7	17.3
1964	78.9	14.9	6.2	100.0	44.5	.6	32.1	3.4	80.6	19.4
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.0	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970 6/	81.1	13.4	5.5	100.0	43.2	.4	34.6	2.7	80.9	19.1

1/ Quantities weighted by constant 1957-59 farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis since 1960. Includes essentially all commodities having any U.S. food use. For list of food commodities see National Food Situation, NFS-124 (May 1968), pp. 15-17. 2/ Includes shipments from U.S. Territories. 3/ Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. 4/ Includes shipments to U.S. Territories. 5/ Feed and seed omitted from total commodities to avoid double counting of use through livestock. 6/ Preliminary. 7/Less than .005 percent.

1970 Was a Good Year for Exports

Estimated export volume of farm food commodities increased more than one-fifth last year, a sharp contrast to the 7 percent decline in 1969, when a dock strike was in effect. Crop food exports jumped a fourth while livestock food exports were up over 4 percent. The rise in crop exports came largely from wheat and wheat flour, feed grains, and soybeans and soybean products—particularly in the last half of 1970.

The 3 percent increase in food supplies last year reflected a 4 percent increase in imports and a 7 percent decline in stocks, partly offset by a 2 percent decrease in production.

Military Purchases Decline

The index of military food use declined 15 percent in 1970, and represented 1.2 percent of the total food use. The decline in military use was general with procurement of nearly all major groups averaging lower in 1970 than in 1969 (table 11). The most important products were beef and veal, dairy products, and fresh fruits and vegetables. The total value of central procurement (excludes local procurement of fluid milk) declined only 11 percent as wholesale food prices averaged 3½ percent higher. Buying for military feeding moved down rather erratically with substantial reductions in the first and third quarters of 1970 partly offset by increases in the second and fourth quarters.

Military procurement probably will move down again in 1971, but the decline will likely be smaller because buying levels are now near those in years preceding the Vietnam mobilization.

Production Changes Mixed—Livestock up, Food Crops Down

Red meat production (carcass basis) increased nearly 3 percent in 1970, with beef and pork sharing the gain. Poultry production rose over 9 percent and egg production less than 2 percent. Total milk output increased nearly 1 percent, reversing a 5-year decline.

Production of food fats and oils (fat content basis) jumped 16 percent in 1970 partly because of the 49 percent rise in peanuts crushed. There were big production gains for salad and cooking oils, shortening, and margarine, with little change for butter and lard. Production of U.S. grown beet and cane sugar increased 7 percent with domestic production of corn sirup also up substantially. Peanut production shot up nearly 18 percent.

There was a substantial decline in grain production, led by a 10 percent decrease in corn production, due mainly to the blight. The wheat crop was off 6 percent and the rice crop, 13 percent.

Fruit and vegetable production was mixed in 1970. Fresh citrus fruit, frozen fruit, fresh and canned vegetables, and potatoes were higher, while fresh noncitrus fruit, canned and dried fruit, frozen vegetables, and sweetpotatoes were lower.

Volume of Imports up Slightly in 1970

The volume of imports of farm food products in 1970 was nearly 4 percent above the strike-affected level of 1969, but only fractionally above the more normal 1968-69 average.

Imports of crop food products were up nearly 3 percent in calendar year 1970, led by cane sugar, cocoa and chocolate, fresh vegetables, and frozen fruit juice. Imports of livestock food products were up nearly 9 percent in 1970 reflecting larger imports of beef and pork. Imports of certain dairy products also increased.

This Year's Outlook

This year's outlook for use of farm food commodities appears promising. Utilization of farm food commodities is expected to increase about 2 percent, led by anticipated increases in crop food commodities though livestock food products are also expected to be up.

Based on March 1 planting intentions, planted acreage could be larger for most major crops, such as corn, sorghum, soybeans, and wheat. For several items such as peanuts, dry beans, and potatoes, little change is anticipated.

For the year, major increases in production of livestock food commodities are expected for red meat, led by a substantial increase for pork. Eggs and milk also may increase. For the first time in a decade broiler production could decline.

Total domestic food use of agricultural commodities likely will increase modestly in 1971, both for livestock and crop products. However, the volume of exports of farm food commodities for all of 1971 may show little change. Exports of crop food products are expected to be off slightly from last year, though larger exports of livestock food commodities are anticipated, led by lard and nonfat dry milk solids.

Marketings of agricultural food commodities may rise 3 percent this year compared with the 1 percent increase last year. Food crops may go up more than 5 percent while livestock marketings may be only slightly higher. Nonfood marketings probably will increase, but the outlook is uncertain because of the corn blight situation.

Change in Reference Base

The supply-utilization indexes for farm food commodities now relate to the new reference base (1967=100). To provide users with a continuous series, we are publishing the revised indexes for 1950-70 (table 10). These new indexes do not include revised price weights which will be incorporated later when the necessary data become available.

The revised food consumption indexes were published in the February 1970 issue of the *National Food Situation.*

Table 11.--Military food procurement, by quarters, 1969 and 1970 1/ 2/

Item	1969					1970				
	I	II	III	IV	Year	I	II	III	IV	Year
	Million pounds									
Meat: 3/										
Beef and veal	162	164	143	136	605	130	155	117	105	507
Pork	64	63	53	53	233	47	67	37	50	201
Other	1	2	3	2	8	2	2	1	2	7
Fish 4/	7	10	7	6	30	10	8	6	6	30
Chicken and turkey 5/	36	23	35	42	136	19	37	27	33	116
Eggs 6/	33	36	29	29	127	28	31	25	19	103
Dairy products 7/	---	---	---	---	2,647	---	---	---	---	2,473
Fats and oils 8/	16	30	28	39	113	17	28	7	34	86
Fruits:										
Fresh	59	52	47	54	212	49	48	39	32	168
Processed	35	53	79	57	224	17	45	26	67	155
Vegetables:										
Fresh 9/	196	161	143	181	681	108	145	124	158	535
Processed	57	57	58	138	310	48	51	18	119	236
Cereal products:										
Wheat flour 10/	26	60	41	42	169	26	64	18	44	152
Other cereal products	15	16	5	28	64	23	32	3	17	75
Sugar and sirups 11/	14	25	28	31	98	17	31	9	26	83
Beverages 12/	2	9	8	9	28	5	10	1	8	24
Value of central procurement (millions of dollars) 13/	$230	$232	$216	$235	$913	$209	$260	$157	$187	$813
Percentage of total quantity of food used in the United States 14/	---	---	---	---	1.7%	---	---	---	---	1.5%

1/ Centrally procured food only, except for dairy products.
2/ Data in terms of product weight unless otherwise indicated.
3/ Carcass weight basis.
4/ Major fish and shellfish items only.
5/ Ready-to-cook basis.
6/ Shell equivalent.
7/ Milk equivalent (butter-fat basis) of all dairy products. Includes locally procured items estimated by USDA.
8/ Includes salad dressing, mayonnaise, and peanut butter; excludes butter.
9/ Includes potatoes and sweetpotatoes. Dehydrated onions and potatoes are converted to fresh weight equivalent.
10/ Wheat flour equivalent.
11/ Excludes sweeteners in manufactured products.
12/ Coffee, roasted bean basis; tea, leaf basis; and beverage cocoa.
13/ Includes minor amounts of nonfood products and food items other than those listed above; does not include expenditures for dairy products procured locally.
14/ Estimate of total quantity of military consumption; derived from data in the supply and utilization tables computed by Economic Research Service; U.S. Department of Agriculture.

Based primarily on data from the U.S. Department of Defense, Defense Personnel Support Center, Philadelphia, Pennsylvania. Refer to the February 1968 National Food Situation for 1964, 1965, and 1966 data and the November 1969 issue for 1967 and 1968.

Table 12.--Value of shipments for specified food and beverage industries, 1960 and 1965-71

Industry	1960	1965	1966	1967	1968	1969	1970	Forecast 1/ 1971	Change 1970-71
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.
Roasted Coffee	1,704	2,090	2,083	2,064	2,066	2,068	2,300	2,415	5
Canned and bottled soft drinks	1,806	2,505	2,735	3,178	3,575	3,920	4,467	4,846	8
Flavorings	548	837	974	1,030	1,137	1,236	1,350	1,475	9
Total nonalcoholic beverages	4,058	5,432	5,792	6,272	6,778	7,224	8,117	8,736	8
Malt liquor	2,180	2,497	2,700	2,930	3,129	3,323	3,602	3,804	6
Wines and brandy	279	396	401	404	436	472	497	523	5
Distilled liquor*	927	1,288	1,332	1,364	1,480	1,581	1,670	1,775	6
Total alcoholic beverages	3,386	4,181	4,433	4,698	5,045	5,376	5,769	6,102	6
Total beverages	7,444	9,613	10,225	10,970	11,823	12,600	13,886	14,838	7
Meat packing plants	11,828	13,931	15,069	15,355	16,330	18,176	18,558	19,671	6
Sausage and other prepared meat products	2,008	2,323	2,502	2,633	2,700	2,970	3,666	3,963	8
Poultry and small game dressing and packing, wholesale	2,054	2,490	2,754	2,886	3,009	3,200	3,423	3,635	6
Total meat and poultry	15,890	18,744	20,325	20,874	22,039	24,346	25,647	27,269	6
Cheese, natural and processed	994	1,325	1,552	1,710	1,813	1,967	2,205	2,358	7
Condensed and evaporated milk	936	1,050	1,100	1,167	1,214	1,268	1,390	1,446	4
Ice cream and frozen desserts	1,048	1,085	1,142	1,061	1,102	1,145	1,195	1,243	4
Fluid milk	6,763	7,185	7,435	7,834	8,187	8,555	8,484	8,726	3
Total dairy	9,741	10,645	11,229	11,772	12,316	12,935	13,274	13,773	4
Canned specialties*	989	1,368	1,457	1,491	1,684	1,809	1,677	1,766	5
Canned fruits, vegetables, preserves, jams and jellies*	2,516	2,982	3,216	3,414	3,607	3,803	4,347	4,586	5
Pickles, sauces and dressings	630	784	818	859	933	989	889	925	4
Frozen fruit, fruit juices, vegetables specialties*	1,207	1,816	1,885	2,047	2,299	2,491	2,837	3,078	8
Total canned and preserved	5,342	6,950	7,376	7,811	8,523	9,092	9,750	10,355	6
Flour and other grain mill products	2,240	2,146	2,345	2,383	2,433	2,484	2,450	2,481	1
Bread and other bakery products, except cookies and crackers	4,333	4,709	5,007	5,103	5,242	5,419	5,576	5,753	3
Cookies and crackers	1,051	1,236	1,327	1,364	1,427	1,511	1,577	1,650	5
Total flour and bakery	7,624	8,091	8,679	8,850	9,102	9,414	9,603	9,884	3
Soybean oil mills	1,133	1,732	2,010	1,900	1,850	2,150	3,047	3,199	5
Shortening, table oils, margarine and other edible fats and oils	1,052	1,489	1,688	1,629	1,600	1,650	1,885	1,983	5
Total fats and oils	2,185	3,221	3,698	3,529	3,450	3,800	4,932	5,182	5
Cane sugar refining	1,068	1,182	1,219	1,327	1,388	1,446	1,534	1,575	3
Candy and other confectionery products	1,318	1,553	1,681	1,799	1,931	2,045	2,248	2,360	5
Chocolate and cocoa products	451	453	471	526	522	536	602	626	4
Total sugar and sweets	2,837	3,188	3,371	3,652	3,841	4,027	4,384	4,561	4
All other food and kindred products (except beverages)	8,639	9,651	11,282	10,324	11,043	11,706	12,134	12,692	5
Total food products	52,258	60,490	65,960	66,812	70,314	75,320	79,724	83,716	5
Total foods and beverages	59,702	70,103	76,185	77,782	82,137	87,920	93,610	98,554	5

1/ Estimates and forecasts by Business and Defense Services Administration (BDSA), U.S. Department of Commerce.

* Value of production.

Source: Adapted from data published in U.S. Industrial Outlook--1971, "Food Products and Beverages", BDSA, U.S. Department of Commerce, Washington, D. C., February 1971, pp. 93 and 107, and preceding issues.

Manufacturers' Shipments

Manufacturers' shipments of food and beverage products in 1970 increased 6 percent over the previous year (table 12).[4] Beverage shipments went up 9 percent and food shipments nearly 6 percent. Shipments from soybean oil mills increased 42 percent. The commercial value of soft drink shipments went up nearly 14 percent, despite the ban on cyclamate use in 1970 which slowed the annual increase in soft drink consumption. But the value of commercial shipments of fluid milk, flour and similar products, canned specialties, pickles, sauces and dressings declined in 1970 from the previous year.

Rising wholesale food prices accounted for about two-thirds, and increasing volume the remaining one-third, of the increase in commercial value of food and beverage shipments.

An increase of about 5 percent is forecast in manufacturers' shipments of foods and beverage for 1971.[5] This presupposes a moderately smaller increase in wholesale prices of foods and beverages and a moderate increase in the volume shipped.

Increases in value of commercial shipments of 8 or 9 percent are forecast for the following industry categories this year: Soft drinks and flavorings; sausages and similar prepared meats; and frozen fruits, juices, and vegetable specialities.

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[4] Included in shipments are commercial values of all products sold, transferred to other plants of the same company or shipped on consignment.

[5] Forecast published by Business and Defense Services Administration (BDSA), U.S. Dept. of Commerce, *U.S. Industrial Outlook—1971*, pages 93 and 107.

Table 13.--Wholesale food price indexes and Wholesale Price Index, selected periods 1/
(1967=100)

Year and month	Farm products			Processed foods and feeds												All food 6/	Industrial commodities 7/	All commodities
	Eggs	Fresh and dried fruits and vegetables 2/	Total 3/	Meats: Beef and veal	Meats: Pork	Meats: Total	Poultry	Fish	Dairy	Processed fruits and vegetables 2/	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages 4/	Total 5/			
1957-59	118.6	98.4	100.3	94.5	95.1	94.9	116.3	79.8	82.0	93.3	98.0	85.4	88.5	93.9	89.5	92.1	94.1	94.3
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1966	128.0	100.9	105.9	98.4	111.8	104.3	113.1	101.5	97.2	97.8	102.5	98.5	97.8	99.3	101.2	101.9	98.5	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	108.8	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
January	180.5	114.8	112.8	112.9	123.9	118.5	124.2	126.6	109.8	109.0	105.4	104.4	114.2	110.2	112.0	115.1	108.3	109.3
February	162.4	115.4	114.0	111.7	121.9	118.1	117.3	127.7	110.0	109.4	105.4	105.3	113.0	111.1	112.1	114.6	108.7	109.7
March	142.5	116.3	114.6	118.3	119.6	120.7	121.7	124.3	109.2	108.7	110.2	105.6	112.7	111.2	111.8	115.0	108.9	109.9
April	112.6	110.9	111.6	119.8	112.9	119.1	115.0	123.1	110.8	109.6	111.4	106.4	113.9	111.5	111.8	113.4	109.3	109.9
May	94.5	121.6	111.3	115.3	112.9	116.4	115.6	120.6	111.1	110.2	110.9	106.4	114.5	113.0	111.1	113.1	109.7	110.1
June	101.2	120.3	111.6	115.6	116.6	118.2	109.4	123.6	111.1	110.5	111.0	106.4	115.4	113.0	111.7	113.7	109.8	110.3
July	131.9	110.8	113.4	119.3	122.3	120.7	114.7	123.4	111.3	110.9	111.0	107.4	117.1	113.1	113.3	115.0	110.0	110.9
August	106.3	98.0	108.5	116.8	114.6	116.6	110.1	124.9	111.7	111.6	112.3	108.0	117.2	113.7	112.9	112.6	110.2	110.5
September	139.5	111.6	112.1	114.6	110.2	113.9	115.1	126.1	111.4	112.0	112.3	109.2	118.2	114.1	113.0	114.5	110.4	111.0
October	104.6	100.8	107.8	112.1	101.7	109.9	108.6	122.7	112.0	111.1	115.2	109.9	118.6	114.5	111.8	111.7	111.3	111.0
November	117.8	107.7	107.0	111.1	94.5	106.5	110.0	126.8	112.2	111.6	119.0	110.6	118.1	114.7	111.7	112.3	111.3	110.9
December	127.3	111.3	107.1	106.0	89.4	102.0	97.2	132.0	112.8	111.0	117.5	110.9	117.8	114.3	110.7	111.2	111.7	111.0
1971																		
January	113.3	115.7	108.9	113.3	92.6	105.9	110.1	130.0	112.8	111.2	119.4	111.0	118.6	115.0	111.8	112.4	112.2	111.8
February	97.6	118.3	113.9	122.2	102.4	113.6	112.7	132.6	112.3	111.5	119.4	111.1	118.3	115.2	113.3	114.2	112.5	112.8
March	101.2	125.3	113.0	122.1	92.4	110.9	111.8	130.9	115.0	111.9	119.4	111.5	119.2	115.3	113.7	115.0	112.8	113.0
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1971																		
January	117.4	114.6	109.1	---	---	---	---	---	113.1	111.0	119.0	---	118.2	---	111.7	---	---	---
February	97.3	116.2	113.6	---	---	---	---	---	112.8	111.4	118.6	---	118.2	---	113.3	---	---	---
March	98.8	122.0	112.7	---	---	---	---	---	116.2	111.9	118.9	---	119.6	---	114.4	---	---	---
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1/ For earlier annual data (1957-59 reference base), see table 106, Food Consumption, Prices and Expenditures, Agricultural Economic Report No. 138, page 179, by Stephen J. Hiemstra. 2/ Includes potatoes. 3/ In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. 4/ Includes alcoholic beverages. 5/ Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. 6/ All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. 7/ Prior to 1967, includes manufactured animal feeds, soft drinks and alcoholic beverages. 8/ Not available at this time.
Bureau of Labor Statistics.

Table 14.--Retail food price indexes and Consumer Price Index, selected periods 1/
(1967=100)

Year and month	Food at home: Meats: Beef and veal	Meats: Pork	Meats: Total 2/	Poultry 3/	Fish	Eggs	Dairy products 4/	Fats and oils 5/	Fruits and vegetables: Fresh	Fruits and vegetables: Processed	Fruits and vegetables: Total	Cereal and bakery products	Sugar and sweets	Beverages	Total	Food away from home	All food	Consumer Price Index, less food	Consumer Price Index
1957-59	88.4	87.1	87.9	112.5	82.1	113.1	85.7	93.9	80.5	91.6	85.1	84.4	87.2	100.9	89.0	77.1	86.8	85.6	86.1
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1966	99.4	109.0	102.6	106.7	96.7	119.6	95.8	99.7	99.7	100.6	100.1	97.7	97.0	100.9	100.3	95.1	99.1	96.7	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.7	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	104.7	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
January	116.9	118.1	116.8	111.9	112.5	161.8	110.0	99.8	114.2	107.2	111.4	105.9	111.7	110.1	112.7	116.2	113.5	113.3	113.3
February	117.6	119.5	117.7	111.5	113.5	159.5	110.4	100.3	116.3	107.4	112.7	106.6	112.1	111.7	113.4	116.9	114.1	113.9	113.9
March	118.1	120.1	118.4	110.1	114.8	138.7	110.9	100.8	117.2	107.4	113.3	107.2	113.1	113.4	113.4	117.6	114.2	114.6	114.5
April	120.7	118.4	119.2	109.2	115.8	117.2	111.0	102.6	119.1	108.1	114.6	107.7	113.8	115.0	113.4	118.8	114.6	115.4	115.2
May	120.2	117.4	118.6	109.2	116.8	110.5	111.3	104.6	121.9	108.3	116.4	108.0	114.9	116.2	113.8	119.4	114.9	116.0	115.7
June	119.6	117.1	118.2	109.6	117.6	104.0	111.6	105.1	125.4	108.6	118.6	108.2	115.3	117.6	114.0	119.8	115.2	116.5	116.3
July	120.8	117.5	118.8	109.7	117.7	119.1	111.9	105.7	122.4	109.1	117.0	108.7	115.7	118.8	114.6	120.5	115.8	117.0	116.7
August	121.3	118.4	119.3	107.5	118.6	116.7	112.1	106.1	118.7	109.2	114.9	109.8	116.1	119.5	114.5	121.0	115.9	117.2	116.9
September	121.0	116.5	118.4	105.5	119.9	126.8	112.5	106.4	112.5	110.0	111.5	110.2	116.5	120.5	114.2	121.5	115.7	118.0	117.5
October	120.6	113.2	117.1	105.4	121.4	120.2	113.1	107.3	109.7	110.7	110.0	111.0	116.8	121.4	113.8	121.9	115.5	118.9	118.1
November	119.3	108.8	115.1	103.3	122.8	112.1	113.5	108.3	108.0	111.4	109.4	111.2	117.2	121.9	113.0	122.5	114.9	119.6	118.5
December	118.4	105.1	113.4	107.9	124.4	119.5	113.6	109.9	109.4	112.2	110.6	111.6	117.8	121.8	113.4	122.8	115.3	120.2	119.1
1971																			
January	118.5	103.6	112.9	106.3	125.4	124.0	113.9	111.3	107.4	112.8	109.6	112.4	117.8	121.9	113.4	123.4	115.5	120.3	119.2
February	120.0	103.2	113.5	105.5	127.0	112.7	114.0	112.1	112.2	113.0	112.6	112.8	117.9	122.1	113.9	123.9	115.9	120.4	119.4
March	122.4	106.0	115.6	107.8	127.7	110.9	114.2	112.4	117.7	113.5	116.0	113.0	118.1	121.8	115.1	124.3	117.0	120.6	119.8
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1971																			
January	119.1	104.5	113.5	109.4	124.9	119.3	113.7	---	109.0	---	110.5	---	---	---	113.5	---	115.6	---	---
February	120.5	104.0	114.0	103.5	126.6	106.7	114.1	---	114.0	---	113.5	---	---	---	114.1	---	116.1	---	---
March	122.6	107.3	116.6	105.7	127.7	111.6	114.4	---	117.1	---	115.7	---	---	---	115.4	---	117.4	---	---
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December																			

1/ For earlier annual data (1957-59 reference base), see table 96, Food Consumption, Prices, and Expenditures, Agricultural Economic Report No. 138, July 1968, page 165, by Stephen J. Hiemstra. 2/ Beef, veal, lamb and mutton, pork, and processed meat. 3/Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. 4/ Includes butter. 5/ Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI. 6/ 1970 seasonally adjusted data (1967=100) not available at this time. Data on 1957-59

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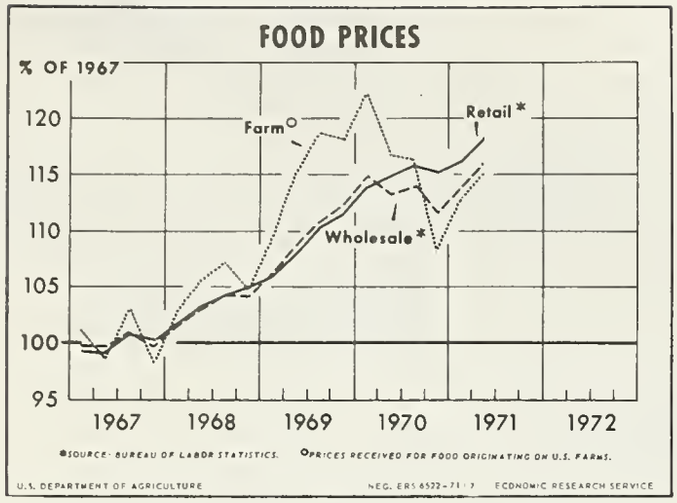
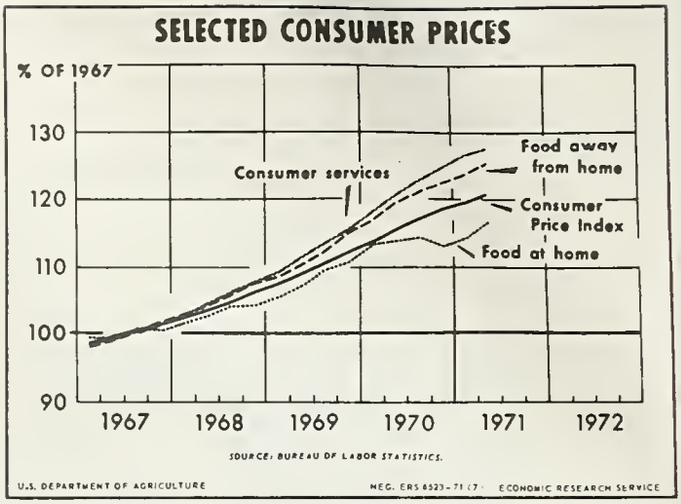


Figure 1



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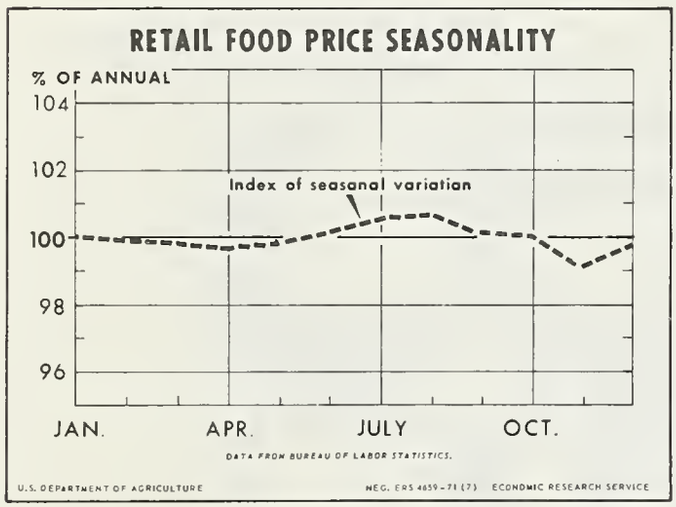

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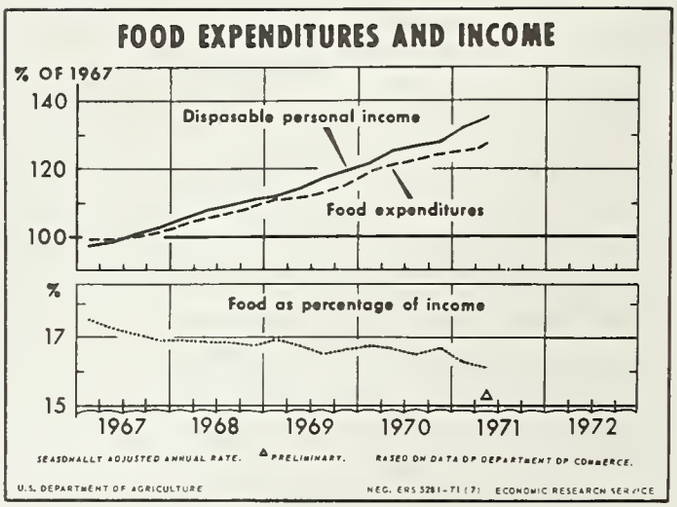

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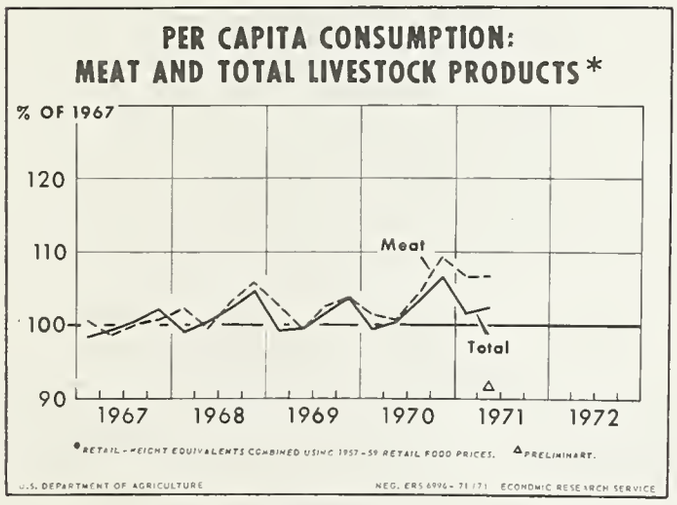

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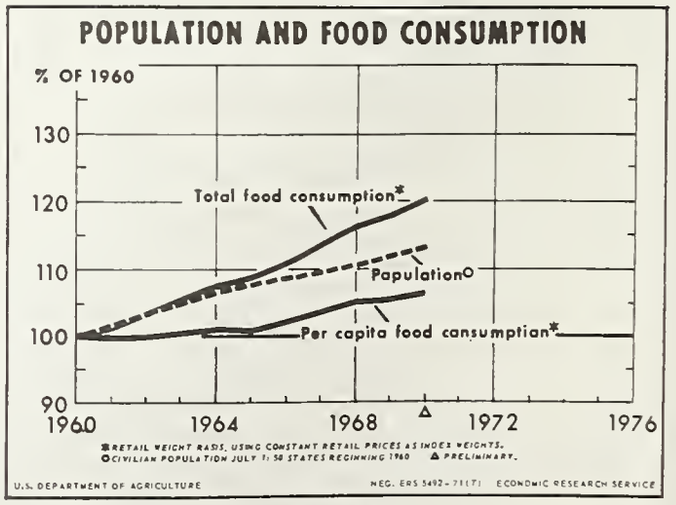

Figure 6

NATIONAL FOOD SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
August 4, 1971

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• • •

The *National Food Situation* is published in February, May, August, and November.

SUMMARY

Retail food prices probably will continue upward this summer, although part of the rise will be seasonal. If the expansion in meat supplies later this year is more moderate than usual, food prices may hold steady rather than decline seasonally in the closing months. On balance, food-at-home prices for the year probably will average around 3 percent above 1970. This compares with last year's increase of 5.1 percent. The price uptrend in away-from-home eating will continue but at a slower pace than last year. The index of all-food prices is now expected to average around 3½ percent higher for 1971.

Food prices at grocery stores increased in the second quarter following a year of relative stability except for usual seasonal variations. In the first quarter of this year food prices at grocery stores were up less than 1 percent from a year earlier. But they jumped more than 2 percent in the April-June quarter to a level some 2½ percent above a year earlier largely because of shorter supplies and higher prices for fresh vegetables and continued strength in prices of fish and fats and oils products. Cold weather and late harvest early this year reduced spring supplies of fresh vegetables. Pork was the only major item for which prices declined more than seasonally in the second quarter. With a rise of 5 percent in prices paid for away-from-home eating, the all-food index in the second quarter averaged 3 percent above a year earlier.

Consumer expenditures for food increased 2 percent in the second quarter, to an annual rate of $119.7 billion. Further increases are in store as population, prices, and per capita consumption all continue to rise. An expected large gain of 8 percent in consumers' after-tax income for 1971 will help expand demand, and food spending for the whole year may total 5½ to 6 percent above the $114 billion of 1970.

Per capita food consumption likely will show another significant increase this year with meat products, mainly pork, providing nearly all of the increase. Slightly lower consumption is in prospect for fish. Although meat consumption has been running 5 to 6 percent above year-earlier levels so far this year, it likely will taper off as pork supplies dip below those of late 1970. Beef supplies will continue somewhat above 1970 levels.

Total utilization of farm food commodities in 1971 will increase, but probably not as much as the 3.1 percent rise of last year when export gains were large. Greater domestic civilian use this year will be only partly offset by prospects for smaller military use. Export volume ran higher in the first half of the year, but the pace may slacken in the second half, perhaps enough to leave the total for the year below that of 1970. However, any decline for food commodities will likely be offset by larger exports of nonfoods, so that exports

of all agricultural commodities may be near last year's total. Higher prices for exports will mean total value well above 1970 levels.

On the supply side, production of farm food commodities, including corn that is used mainly for feed, could run around 5 percent larger if corn blight damage is light and current indications of large crops materialize. However, some of the expected larger supplies likely will move into stocks which were drawn down significantly during 1970.

The deciduous fruit crop may total 2 percent larger than last year, reflecting larger crops of grapes, pears, and cherries; smaller crops of apples and prunes are expected. A larger citrus crop also has contributed to greater supplies of fruit this year.

Smaller stocks of canned vegetables together with the same or a slightly larger pack than in 1970 will mean little change in supplies. Total supplies of frozen vegetables are expected to be about the same this year as last.

FOOD PRICES

Retail food prices averaged 2.5 percent higher in the first half this year than in the same period of 1970. This was less than half the increase for nonfood items as the Consumer Price Index, excluding food, forged ahead by 5.3 percent during the same period (figure 2). There was a 1.7 percent increase for food consumed at home and a 5.5 percent increment for food away from home. Since 1967 the food price index has gone up 19 percent compared with an increase of nearly 22 percent for other goods and services.

From November to June prices of food at home advanced about 4 percent, considerably more than the usual 1 percent seasonal increase (figure 3). A striking departure from usual circumstances was the 2.8 percent rise for food away from home which was smaller than the food-at-home increase.

After starting the year near January 1970 levels, monthly food prices so far this year have moved up more than twice as fast as in the same months last year. The pattern this year is more reminiscent of that in 1969 (figure 7).

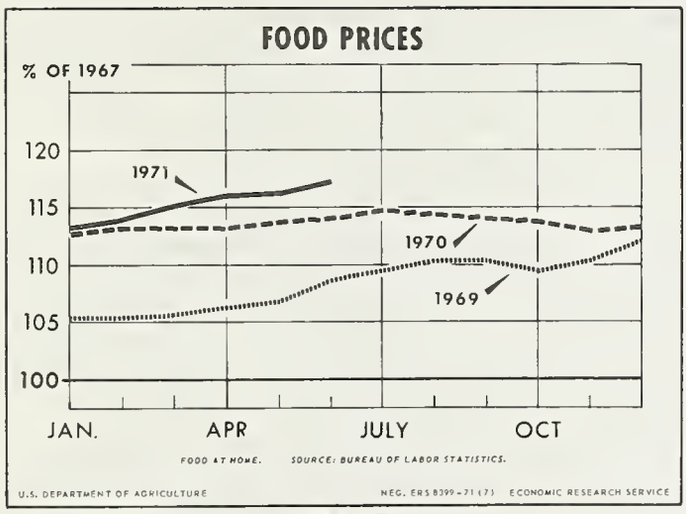

Figure 7

Retail Price Rises Accelerate

Retail food prices accelerated to a level 3 percent over the second quarter of last year. More significantly, they increased 2 percent over the first quarter of 1971 (table 1). The quarter-to-quarter gain was due mainly to food consumed at home as the rate for food away from home moderated from the earlier pace. Even so, prices of restaurant meals and snacks are now 5 percent higher than a year ago.

The at-home food price rise in the second quarter largely reflected the increased prices for food derived from crops. This component rose about 5 percent from last year and 3½ percent over the January-March quarter, although the recent change was partially seasonal. Livestock product prices showed little change from last year, as sharply lower pork and egg prices were offset by higher prices for fish and dairy products.

Meat prices were still lower than in the second quarter of last year largely because of a 6 percent increase in per capita supplies. However, prices in April-June moved higher than in the previous quarter, reversing the downtrend of late 1970 and early 1971. The increase from the first quarter came despite the influence of lower pork prices. Although 12.3 percent lower than a year ago, quarter-to-quarter declines in the retail prices of pork slowed, reflecting a leveling of pork supplies. Beef and veal prices advanced between the first and second quarters in response to smaller supplies of veal and increased demand for beef.

Changes in retail food prices, second quarter, 1971

Item	From first quarter 1971	From second quarter 1970
	Percent	*Percent*
Meat	1.8	-2.2
Poultry	2.3	-.4
Fish	2.1	10.9
Dairy products	1.0	3.4
Eggs	-9.4	-5.1
Fats and oils	1.7	9.3
Fruits and vegetables	8.4	4.9
Sugar and sweets	.9	3.7
Cereal and bakery products	1.2	5.6
Beverages	.1	4.9
Other preparations	.8	3.1
Food at home	2.2	2.6
Food away from home	1.1	5.0
All food	2.0	3.0

Table 1.—Consumer, wholesale, and farm price indexes, 1970-71
(1967=100)

Item	1970					1971		
							II	
	I	II	III	IV	Year	I	Index	Percent change from 1970 II
Retail prices:[1]								
All goods and services (CPI)	113.9	115.7	117.0	118.6	116.3	119.5	120.8	4.4
All items less food	113.9	116.0	117.4	119.6	116.7	120.4	121.6	4.8
All food	113.9	114.9	115.8	115.2	114.9	116.1	118.4	3.0
Food at home	113.2	113.7	114.4	113.4	113.7	114.1	116.6	2.6
Food away from home	116.9	119.3	121.0	122.4	119.9	123.9	125.3	5.0
Wholesale prices:[1]								
All commodities	109.6	110.1	110.8	111.0	110.4	112.5	113.8	3.4
Industrial commodities	108.6	109.6	110.2	111.4	110.0	112.5	113.6	3.6
Farm products	113.8	111.5	111.3	107.3	111.0	111.9	114.3	2.5
Processed food	113.3	113.4	114.3	112.0	113.2	113.7	115.4	1.8
All food[2]	114.9	113.4	114.0	111.7	113.5	113.9	115.9	2.2
Prices received by farmers:[3]								
Crops	97	99	102	101	100	105	111	12.1
Livestock and products	125	118	117	110	118	114	114	-3.4
Average	114	110	110	106	110	110	112	1.8
Market basket of U.S. farm foods:[4]								
Retail cost	113.5	113.6	114.3	112.4	113.4	112.8	115.4	1.6
Farm-retail spread	108.0	111.5	113.1	115.1	111.8	113.0	115.5	3.6
Farm value	122.3	116.9	116.2	108.2	116.0	112.5	115.2	-1.5

[1] Department of Labor, Bureau of Labor Statistics. [2] All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group. [3] Statistical Reporting Service. [4] Economic Research Service.

Fish prices continued the striking upward shift of the past year and a half, caused by a world fish shortage. Prices were sharply higher than a year ago and also up from the first quarter as demand for fishery products maintained its strength.

Egg prices fell nearly a tenth from the first quarter largely as a result of larger output. Prices were 5 percent lower than a year earlier.

Prices of all major crop foods rose sharply from last year, and with the exception of beverages, also moved up swiftly from the first quarter of 1971. The most dramatic change occurred in fats and oils products, which were nearly a tenth above a year earlier in response to tightened supply conditions and continued brisk demand.

Higher fruit and vegetable prices reflect smaller supplies this spring and general inflationary pressures which have raised marketing costs.

Wholesale prices

Wholesale prices of consumer foods, adjusted for seasonal variation, steadied in both May and June after some sharp advances during the first 4 months of 1971. This stabilization contrasts sharply with the steady rise in industrial commodities throughout the first half.

On a year-to-year basis, wholesale food prices were 2.2 percent higher for the second quarter compared to a 3.6 percent advance for industrial commodities.

Fresh fruits and vegetables, which rose 8.9 percent, vegetable oils which were 6.9 percent higher than last year, and a 9.4 percent jump in prices of fish contributed to the year-to-year wholesale price gain. Meat prices were down 3.6 percent largely as a result of the lower pork prices. Beef and veal, on the other hand, increased 7.4 percent. Egg prices were down 4.4 percent, a substantial slowdown from the 36 percent year-to-year decline of the first quarter.

Food Price Prospects

The all-food retail price index for 1971 may increase 3½ percent over 1970, with food at home rising around 3 percent. Strong demand and general inflationary pressures are significant factors in this outlook. Despite a fairly high rate of unemployment, further gains in disposable income are expected the remainder of the year. Increases in minimum wages and Social Security benefits, as well as continuation of the sharply expanded Food Stamp Program all point to favorable demand conditions in food markets.

Compounding a favorable demand situation will be a shift in the pattern of supply. The large output of pork, which played an instrumental part in holding back meat prices early this year, will be lower relative to a year earlier in coming months. Consequently, retail pork prices will rise through the summer and decline less than seasonally in the fall. Beef and veal prices may remain

TURE

Table 2.--Retail prices of food and all consumer items, selected countries, 1968-70 1/
(1963=100)

Region and country	Food				All consumer items			
	1968	1969	1970		1968	1969	1970	
			Index	Change from 1969			Index	Change from 1969
				Percent				Percent
North America								
Canada	116	121	124	2	117	122	126	3
United States	114	119	126	6	114	120	127	6
Latin America								
Argentina (Buenos Aires)	304	322	375	16	311	335	380	13
Brazil (Sao Paulo)	650	812	951	17	714	879	1,047	19
Chile (Santiago)	343	448	606	35	346	452	598	32
Costa Rica (San Jose)	112	116	125	8	108	111	116	5
Dominican Republic (St. Domingo)	104	103	108	5	102	103	104	1
Honduras (Tegucigalpa)	112	112	115	3	115	118	121	5
Mexico (Mexico City)	118	121	128	6	116	120	126	5
Panama (Panama City)	110	112	115	3	106	108	113	5
Peru (Lima and Callao)	192	203	209	3	185	196	206	5
Venezuela (Caracas)	104	106	108	1	107	110	112	2
Western Europe								
Austria	118	122	128	5	133	137	143	4
Belgium	120	131	130	1	2/119	2/124	129	4
Denmark	137	144	157	9	2/137	2/141	150	3
Finland	144	148	151	1	139	142	146	3
France 3/	114	121	128	6	117	124	131	5
Germany, Federal Republic 4/	108	111	114	3	113	116	120	4
Greece	112	116	120	2	111	114	118	3
Ireland	122	130	139	8	125	134	145	8
Italy 4/	115	118	124	4	119	122	128	5
Netherlands 5/	124	132	138	4	126	135	141	4
Norway	123	128	144	13	123	127	140	11
Portugal (Lisbon)	125	135	142	5	126	137	146	6
Spain	138	141	146	4	144	147	155	6
Sweden	123	127	138	8	123	126	135	7
United Kingdom	118	125	134	7	121	127	135	6
Eastern Europe								
Hungary (Budapest)	112	113	115	2	107	108	110	2
Poland	108	111	111	0	109	111	109	-1
Yugoslavia	204	221	258	17	207	224	252	13
Africa								
Ethiopia (Addis Ababa) 2/	132	135	156	16	128	130	143	10
Kenya (Nairobi) 6/	115	114	116	2	111	110	113	2
Madagascar (Tananarive)	110	115	118	3	109	114	117	3
Morocco (Casablanca)	106	109	110	1	106	109	111	3
Southern Rhodesia 2/	116	116	119	3	115	115	118	3
Tunisia (Tunis) 3/	124	130	132	1	122	127	128	1
Asia								
Ceylon (Colombo)	118	124	132	7	112	120	127	6
China (Taiwan)	125	131	135	3	114	119	123	4
Israel	121	125	130	4	127	130	138	6
Japan	131	139	151	9	128	134	144	8
Khmer Republic (Phnom-Penh) 7/	101	111	127	14	111	118	130	10
Laos	262	266	248	-7	288	297	298	0
Thailand (Bangkok, Thonburi)	124	129	129	0	113	116	117	1
Vietnam, Republic (Saigon) 8/	479	584	791	35	354	432	590	37
Oceania								
Australia	120	121	126	4	116	120	124	3
New Zealand	122	128	137	7	122	128	136	7

1/ Derived from data in Monthly Bulletin of Statistics, May 1971, Statistical Office of the United Nations. Prices for 1966 were carried in the August 1969 issue of the National Food Situation, p. 8. 2/ Excluding rent. 3/ 1962=100. 4/ Including tobacco. 5/ All consumer items exclude compulsory social insurance and wage tax. 6/ Food includes tobacco; all consumer items excludes rent. 7/ Khmer Republic formerly listed as Cambodia. 8/ 1960=100.

fairly stable during the second half of the year, with strong demand offsetting slightly larger supplies. Although poultry prices ran lower than a year earlier during much of the first half, they recently surged higher and may continue above 1970 levels the rest of the year. The upward movement in fish prices should continue for the remainder of the year, as worldwide fish supplies have dwindled relative to demand.

A strong demand for cooking and salad oils could exert a continued upward pressure on fats and oils prices. A less than seasonal increase in vegetable supplies this summer will mean continuation of higher fresh vegetable prices, while sustained demand should maintain higher prices of fresh fruit despite larger supplies of several items. Also, prices of processed fruits and vegetables likely will continue well above year-ago levels.

With both crop and livestock product prices showing more strength, prices of food consumed at home may advance somewhat more than seasonally in the third quarter. In the final quarter, prices may only level off rather than decline seasonally.

Prices of food away from home probably will continue to rise, but at a somewhat slower pace than in the past 2 years.

Retail Prices in Selected Countries

According to United Nations statistics, nearly four-fifths of the 46 countries listed in table 2 had price gains of 3 percent or more between 1969 and 1970. Roughly a third of the countries reported advances larger than the 5½ percent recorded in the United States, and 7 countries had gains of 10 percent or more. Four reported no changes or declines.

The sharpest food price increase occurred in South Vietnam and Chile, each reporting a 35 percent increase. Brazil, Yugoslavia, Argentina, Ethiopia, Khmer Republic (Cambodia), and Norway had changes ranging between 13 and 17 percent. Since 1963, South Vietnam, Chile, and Brazil have had price increases ranging from 500 to 850 percent.

The 5½ percent advance recorded in the United States in 1970 was unsurpassed by any country in the European Economic Community, and was equaled only by that of France. This contrasts sharply with other European countries, where the United Kingdom, Sweden, Norway, and Denmark reported price changes higher than in the United States.

Rapidly rising food prices continued to be the rule in Latin America. Decelerating yearly increases in Venezuela, Peru, Brazil, and the Dominican Republic were more than balanced by larger increases in Argentina, Chile, and Mexico.

With the exception of Ethiopia, selected African countries experienced only minimal price changes. This is in contrast to Asia, where half the listed countries reported changes greater than in the United States. In industrialized Japan prices rose by 7 percent, but in Israel they advanced by only 4 percent.

There was close agreement between food price changes and changes in prices for all consumer items in most countries. The relationship did not drastically differ between countries where food represents a large part of expenditures and countries where this was not the case.

FOOD SPENDING AND INCOME

Food Spending Picks Up

Food expenditures regained strength during the second quarter, posting the largest quarterly increase since the first quarter of 1970 (figure 4). Expenditures totaled $119.7 billion (seasonally adjusted, annual rate), a $2.5 billion increase over the previous quarter (table 3).[1] However, higher prices caused most of this increase.

Expenditures for both food used at home and food eaten away from home increased; in the previous quarter there was a small increase and a small decline respectively. Compared with the second quarter last year, expenditures in constant dollars for food away from home were down nearly 4 percent, while those for food at home were up nearly 4 percent.

Change in Food Expenditures, second quarter, 1971

Item	From first quarter 1971	From second quarter 1970
	Percent	*Percent*
Total Food		
Current dollars	2.1	5.3
1958 dollars	.4	2.5
Food at home		
Current dollars	2.3	6.4
1958 dollars	.4	3.8
Food away from home		
Current dollars	1.4	1.0
1958 dollars	.2	-3.9

Total Consumer Spending

Increases in total personal consumption expenditures in the second quarter were not as great as in the first quarter of this year, but still greater than in any quarter since the second quarter last year. Inflationary pressures were responsible for about a third of the second quarter increase. The slowdown in total expenditures was mainly in durable goods; these increased much less than the

[1] The expenditure and income statistics reflect the recent revisions for 1968-70 published in the July issue of the *Survey of Current Business*.

Table 3.—Expenditures for food in relation to disposable income, 1960 and 1965-71[1]

Year	Disposable personal income	Personal consumption expenditures for food[2]					
		For use at home[3]		Away from home[4]		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Bil. dol.	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*	*Bil. dol.*	*Pct.*
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.2	84.2	13.3	21.9	3.4	106.1	16.7
1970	687.8	90.6	13.2	23.4	3.4	114.0	16.6
I	667.6	89.0	13.3	22.8	3.4	111.8	16.7
II	685.7	90.2	13.2	23.4	3.4	113.7	16.6
III	696.2	90.8	13.0	23.5	3.4	114.3	16.4
IV	701.5	92.5	13.2	23.9	3.4	116.4	16.6
1971							
I	722.0	93.8	13.0	23.4	3.2	117.2	16.2
II[5]	741.1	96.0	13.0	23.7	3.2	119.7	16.2

[1] Quarterly data are seasonally adjusted annual rates. [2] Derived from data of Department of Commerce, *Survey of Current Business* and *The National Income and Product Accounts of the United States, 1929-65*, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 *Census of Business* Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. [3] Includes food consumed on farms where produced. [4] Includes food served to the military and employees of hospitals, prisons, and food service establishments. [5] Preliminary.

Quarterly changes in personal expenditures and retail sales

Item	1970		1971	
	III	IV	I	II
	Percent	*Percent*	*Percent*	*Percent*
Total personal consumption expenditures	1.2	0.6	3.2	2.4
Durable goods	-.3	-6.1	15.0	2.5
Nondurable goods	1.0	2.0	.4	2.7
Food	.6	1.8	.7	2.1
Services	1.8	1.5	2.3	2.1
Retail sales	.8	-1.1	4.1	3.6
Food stores	.5	1.4	1.0	2.8

record-breaking rate of the first quarter when auto sales were recovering from their strike-reduced levels in fourth quarter of 1970. However, expenditures for durable goods remained very strong compared with the slow pace in 1970. Second quarter expenditures for services increased slightly less than during the first quarter. Expenditures for nondurable goods, which had been very sluggish during the first quarter, increased at a faster rate than in any quarter during the past 3 years.

Retail store sales, which generally follow the same pattern as consumption expenditures, remained stronger than last year although not as strong as in the first quarter of this year.

Dispoable Income

Disposable personal income in the second quarter increased $19 billion over the first to a total of $741 billion (seasonally adjusted, annual rate). This rise was less than in the previous quarter, due primarily to smaller increases in wages and salaries. The share of the Nation's disposable income allocated for food remained stable at 16.2 percent, significantly lower than in the same quarter of 1970.

The rate of personal savings increased again during the second quarter of 1971 after decreasing slightly during the first quarter. The personal savings rate increased steadily through 1970, and at 8.4 percent in April-June was the highest since the early 1950's.

Food Programs

Participation in the Food Stamp Program continued to expand during early 1971, but at a much slower rate than during 1970 when the number of participating areas increased sharply (table 4). Average monthly participation increased 26 percent during the fourth

Table 4.—USDA food programs: Participation and value by months, 1970 and 1971

Month	Participation		Total value		
	Food stamps	Commodities	Food stamps		Commodities[1]
			Total issued	Bonus stamps	
	Millions	*Millions*	*Million dollars*	*Million dollars*	*Million dollars*
1970					
January	3.8	3.9	68.2	26.9	23.4
February	4.4	4.0	98.6	54.9	24.1
March	5.2	4.1	120.0	70.8	24.3
April	5.6	4.1	134.1	80.3	24.6
May	6.1	4.0	144.6	86.5	24.1
June	6.5	4.0	154.0	91.6	23.7
July	6.9	3.8	164.8	98.1	22.8
August	7.2	3.9	171.2	100.2	23.0
September	8.1	3.5	198.3	116.7	21.2
October	8.9	3.6	208.0	120.8	21.8
November	9.5	3.6	225.4	126.9	25.1
December[2]	9.5	3.7	231.5	129.7	26.8
1971					
January[2]	9.8	3.8	233.0	130.8	26.4
February[2]	10.2	3.9	245.1	136.7	26.7
March	10.6	3.9	256.6	142.3	27.1
April	10.6	3.9	252.1	139.9	25.6
May	10.5	3.7	250.7	137.8	24.5

[1] Cost to the Federal Government.
[2] Preliminary.

quarter of 1970, another 10 percent during the first quarter of this year, and only slightly in the second quarter. Participation in the Food Distribution Program, which remained stable during the first quarter, decreased slightly in the second. Combined participation in both of these programs was 41 percent higher in May of this year than in May of last year.

The bonus value of food stamps edged down in April, May and June. The combined average monthly costs of food stamps and distributed foods during the April-June quarter were about the same as in January-March. The cost of these programs to the Federal government remained at just under 2 percent of consumer food expenditures. Improving employment and better economic conditions will tend to hold these programs at current levels for the rest of 1971.

Income and Spending Outlook

The recent increase in Social Security benefits and continued boosts in wages and salaries point to continued expansion in disposable income this year. The annual total may be as much as 8 percent over 1970. The boost in income accompanied by increases in population, per capita consumption, and prices of food may lift food expenditures 5½ to 6 percent over 1970.

Food Spending in Other Countries

The change in the share of consumer expenditures going to food often is an indicator of a country's economic progress. A declining percentage indicates economic progress and increasing material well-being with a greater portion of income being freed for expenditures on other goods and services. Data supplied by the United Nations provide a basis for comparisons among those countries reporting.

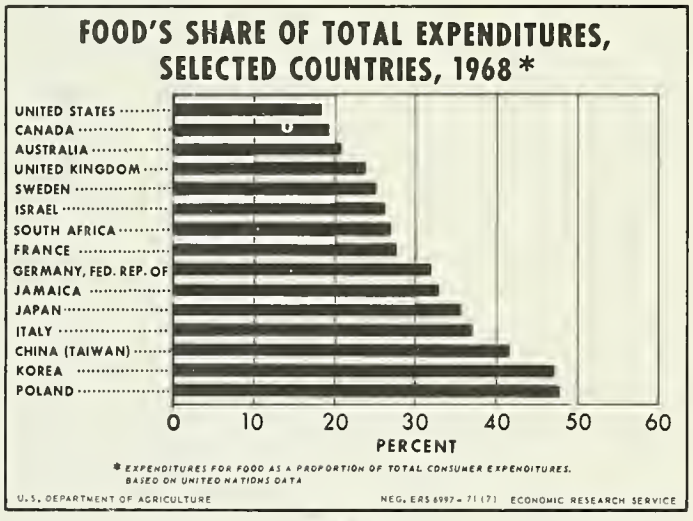

Figure 8

Most of the countries of the world enjoyed a decline in this percentage during 1968 (table 5). The exceptions were Jamaica, Panama, Bulgaria, Poland, Ceylon, Denmark, and Finland. Norway's percentage remained the same.

Table 5.--Expenditures for food as a proportion of private consumption expenditures, selected countries, selected years, 1955-68 1/

Country	1955	1960	1965	1966	1967	1968
	Percent					
North America						
Canada	23.1	23.0	20.8	20.4	20.0	19.3
United States 2/	22.6	21.3	19.6	19.5	18.8	18.3
Latin America						
Jamaica	---	36.5	32.8	32.8	32.6	32.7
Panama	---	39.9	41.3	42.8	42.4	45.9
Puerto Rico	33.0	29.2	24.8	24.4	23.8	22.8
Venezuela	---	---	29.2	28.7	28.3	27.6
Western Europe						
Austria	38.5	34.1	30.3	29.3	28.6	---
Belgium	29.1	27.5	25.6	25.2	25.1	24.3
Denmark	27.6	23.4	21.4	21.2	21.8	22.3
Finland	34.0	33.2	29.6	29.2	28.6	29.3
France	---	32.3	29.2	29.1	28.3	27.5
Germany, Federal Republic 3/	---	37.9	34.6	33.6	32.9	31.9
Greece	45.3	42.1	39.1	38.8	38.5	37.5
Ireland	38.1	36.0	32.6	31.9	30.6	29.6
Italy	39.3	38.2	38.8	34.8	37.9	36.9
Malta	43.6	38.0	37.8	39.9	37.9	37.8
Netherlands	33.6	30.9	27.7	27.3	26.3	25.2
Norway	31.6	30.0	29.3	28.6	27.8	27.8
Sweden	29.7	27.7	26.1	25.9	25.7	25.0
Switzerland	27.2	25.4	24.5	24.6	24.2	23.6
United Kingdom	31.0	28.2	25.1	24.8	24.4	23.7
Eastern Europe 4/						
Bulgaria	60.7	58.7	57.5	56.2	54.3	54.4
Poland	---	---	47.7	47.5	47.2	47.6
USSR	5/50.1	58.4	---	---	---	---
Yugoslavia	53.1	45.0	43.3	44.6	42.4	40.9
Africa						
Ghana	48.8	47.3	60.6	66.4	60.7	60.0
South Africa	30.5	29.5	28.3	28.5	27.7	26.8
Sierra Leone	---	---	6/44.4	46.9	45.9	45.6
Asia						
Ceylon	---	49.3	48.3	49.7	50.0	50.9
China (Taiwan)	55.5	52.1	47.7	45.8	43.5	41.6
Israel	34.5	32.6	26.8	26.6	27.6	26.1
Japan 3/	49.3	43.1	37.8	37.1	36.4	35.4
Korea, Republic of	55.8	51.5	55.4	52.0	49.2	47.1
Oceania						
Australia	25.5	26.5	22.1	21.9	21.4	20.8

1/ Includes consumption expenditures of households and private nonprofit institutions at current market prices. Food expenditures exclude beverages except where indicated. Includes amounts purchased by nonresidents. 2/ Includes nonalcoholic beverages. 3/ Includes food, beverages, and tobacco. 4/ Percentage of "individual consumption;" usually excludes personal and professional services and other economic activities that do not contribute directly to material production. Total expenditures usually exclude depreciation of residential buildings. For these and other reasons the estimates are not directly comparable with other data in the table. 5/ Figure for 1955 from Economic Trends in the Soviet Union by A. Bergson and S. Kuznets, Harvard University Press, p. 361; includes beverages. It is not comparable to USSR estimate for 1960. 6/ Data for fiscal year beginning July 1.

As usual, the United States allocated the smallest share of its personal consumption expenditures for food (figure 8). Canada allocated the second smallest share and Australia was third with an allocation of about 21 percent.

Most of the countries in the "industrialized West" enjoyed percentage allocations of less than 30 percent. The notable exception was the 32 percent in West Germany; however, its percentage allocated for food had declined steadily since the 1950's.

On the other hand, countries outside of North America and Western Europe usually allocated more than 30 percent of consumer expenditures for food. Australia, Israel, Union of South Africa, and Venezuela were the only exceptions among those reporting.

Some of the differences between Eastern and Western Europe reflect differences in accounting methodology. For example, total expenditures for consumption in most East European countries usually exclude personal and professional services along with other economic activities that do not contribute directly to material production. Expenditure data in Western countries include these expenditures. Thus, with a more comprehensive definition of income the resulting percentages are automatically lower.

PER CAPITA FOOD CONSUMPTION

An increase of nearly 1 percent in U.S. per capita food consumption is expected in 1971, boosting the index to a level 6 percent higher than in 1965 (figure 6 inside front cover). Almost all of the annual increase is attributed to food from animal sources, primarily meats (table 6). Pork consumption is the big gainer this year; last year beef and chicken were the outstanding contributors (table 7).

Large gains in per capita consumption of red meat and smaller ones for fruit, potatoes, eggs, and vegetable oils will outweigh decreases for dairy products, sweeteners, melons, coffee, fish, and animal fats in 1971. Poultry consumption is likely to remain close to the level of last year, with slightly larger turkey supplies compensating for a small decline in consumption of chicken.

Table 6.—Per capita food consumption index, 1960-71[1]
1967=100

Years	Meat	Poultry	Fish	Eggs	Dairy products[2]	Fats and oils			Fruits[3]		
						Animal[2]	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	105	98	99	91	116	107	101	102	101
1971[4]	108	108	103	99	98	89	117	107	101	104	102

Years	Vegetables[5]			Potatoes and sweet potatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crop[6]	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	99	110	101	104	97	101.2	102.0	101.5
1970	99	105	101	95	114	99	106	94	102.4	102.5	102.4
1971[4]	99	105	101	95	118	99	105	93	103.7	102.7	103.3

[1] Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in *National Food Situation*, NFS-135 (February 1971), table 4. pp. 10,11. [2] Includes butter. [3] Excludes melons and baby food. [4] Preliminary. [5] Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. [6] Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Table 7.—Livestock products: Per capita consumption indexes, quarterly, 1966-71[1]

(1967=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Animal fats including butter	Total livestock products[2]
				Excluding butter	Including butter		
1966 I	92.5	75.6	97.4	103.7	104.4	106.7	94.9
II	94.6	87.9	94.5	103.4	103.2	95.5	96.5
III	97.0	102.1	95.5	102.2	101.2	93.3	98.8
IV	100.1	117.0	100.8	99.2	99.7	102.5	101.7
1967 I	100.5	80.8	100.1	99.9	100.4	103.6	98.4
II	98.6	94.0	97.2	103.4	102.8	93.6	99.3
III	100.0	104.9	99.1	99.6	99.1	97.2	100.2
IV	100.7	120.1	103.4	97.1	97.7	105.7	102.0
1968 I	102.2	84.5	102.5	97.8	98.4	106.1	99.1
II	99.7	91.4	97.6	104.4	104.2	99.3	100.2
III	103.1	102.6	96.6	102.3	101.7	97.2	102.1
IV	105.9	116.8	99.6	99.5	100.0	107.5	104.7
1969 I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970[3] I	101.5	91.8	98.7	98.9	99.0	98.1	99.4
II	100.8	102.1	96.3	100.9	99.9	83.7	100.1
III	104.8	113.0	97.3	100.1	99.7	86.1	103.1
IV	109.7	123.5	101.1	98.2	98.3	95.8	106.6
1971[3] I	106.6	92.8	99.8	97.9	98.0	96.2	101.7
II	106.8	101.4	97.4	99.4	98.5	82.4	102.5

[1] Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in *Food Consumption, Prices, and Expenditures*, Agricultural Economics Report No. 138, July 1968. To convert indexes for earlier years to 1967=100, multiply by the following factors: Meat, .90744; poultry, .73260; eggs, .11013; dairy products, exclude butter, .10504; include butter, .10776; animal fats, .13316; total livestock products, .96061. [2] Excludes fish and honey. [3] Preliminary.

Livestock Products

In the April-June quarter, per capita consumption of livestock products was nearly 2½ percent above a year earlier, primarily because of a 6 percent increase for meat (figure 5). Consumption of eggs was somewhat higher, but use of dairy products and poultry was down. The nearly 1 percent gain from first quarter was seasonal. The quarterly increase for poultry and dairy products was less than seasonally expected, but this was counterbalanced by a less than seasonal decline for eggs and a contraseasonal rise in meat consumption.

Per capita consumption indexes, seasonally adjusted

Period	Total livestock	Meat
	1967=100	
1970 I	101.2	101.3
II	101.2	102.9
III	102.8	104.7
IV	103.9	107.9
1971 I	103.6	106.4
II	103.6	109.0

Meat consumption, seasonally adjusted, resumed an upward trend in the second quarter. This will continue through the summer, likely reaching an all-time high in the third quarter. A drop in the fall months will bring per capita meat consumption about 2 percent below 1970's high year-end level. Poultry consumption in the spring and summer months was less than a year earlier but will average about the same for the year. Per capita consumption of dairy products and animal fats will be lower and eggs higher throughout 1971.

Meat.—Consumption of red meat in the first half of 1971 averaged about 95 pounds per person, more than 5 percent larger than a year earlier. Substantially larger pork consumption accounted for all of the gain. Consumption likely will continue above year-earlier levels in the second half, but gains will be much smaller. The increase for the year likely will be about 3½ percent (table 8).

Per capita beef consumption in the first half averaged nearly the same as in January-June 1970 when consumption ran just over 56 pounds per person. Production was up a little and about enough to offset population growth and smaller imports of beef. In the second half, beef consumption probably will be up a little reflecting larger production and a moderate increase in beef imports.

Pork consumption during January-June was about 5 pounds per person larger than the 31 pounds per person consumed in the first half of 1970 when pork production was at a cyclical low. The sharp increase in

Table 8.—Civilian per capita consumption of major food commodities (primary distribution weight), average 1957-59, annual 1966-71[1]

Commodity	Average 1957-59	1966	1967	1968	1969	1970	1971 Indications as percentage of 1970
	Lbs.	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*	*Percent*
Meats (carcass weight)	156.6	170.9	178.3	183.2	182.5	186.3	103
Beef	82.1	104.2	106.5	109.7	110.8	113.7	101
Veal	7.1	4.6	3.8	3.6	3.3	2.9	93
Lamb and mutton	4.4	4.0	3.9	3.7	3.4	3.3	94
Pork (excluding lard)	63.0	58.1	64.1	66.2	65.0	66.4	109
Fish (edible weight)	10.5	10.8	10.9	11.0	11.1	11.4	98
Poultry products:							
Eggs (farm basis)--Number	356	314	324	321	318	319	101
Chicken (ready-to-cook)	27.5	36.1	37.2	37.5	39.1	41.4	100
Turkey (ready-to-cook)	6.0	7.8	8.6	7.9	8.3	8.1	102
Dairy products:							
Cheese	7.9	9.8	10.1	10.6	10.9	11.5	103
Condensed and evaporated milk	14.8	9.7	9.0	8.9	8.0	7.4	93
Fluid milk and cream (milk equivalent)	337	297	285	280	272	264	97
Ice cream (product weight)	18.4	18.2	17.8	18.4	18.0	17.8	98
Fats and Oils—Total, fat content	45.3	49.7	49.4	51.2	51.9	53.2	100
Butter (actual weight)	8.2	5.7	5.5	5.7	5.4	5.3	96
Margarine (actual weight)	8.9	10.5	10.5	10.8	10.8	11.0	100
Lard	9.3	5.5	5.4	5.6	5.1	4.6	100
Shortening	11.4	15.9	15.9	16.3	17.1	17.3	100
Other edible fats and oils	10.8	15.2	15.1	16.0	16.8	18.2	102
Fruits:							
Fresh	95.5	81.4	80.9	78.3	79.0	80.8	100
Citrus	34.0	29.1	31.6	26.3	28.3	28.4	102
Apples (commercial)	21.0	16.0	16.2	15.7	15.1	18.1	95
Other (excluding melons)	40.5	36.3	33.1	36.3	35.6	34.3	100
Processed:							
Canned fruit	22.4	22.9	22.6	21.9	24.0	22.6	100
Canned juice	13.5	11.7	11.7	12.2	14.6	13.8	103
Frozen (including juices)	8.6	8.1	10.1	9.4	9.3	9.8	105
Dried	3.3	3.0	2.8	2.8	2.7	2.6	100
Vegetables:							
Fresh[2]	104.1	96.0	98.1	98.7	98.9	99.0	99
Canned, excluding potatoes and sweetpotatoes	43.3	47.4	48.9	50.5	51.3	51.2	100
Frozen, excluding potatoes	6.6	8.8	9.0	9.6	9.1	9.7	100
Potatoes, fresh equivalent	106.9	113.6	111.5	115.8	117.5	118.6	103
Sweetpotatoes, fresh equivalent	8.3	6.3	5.8	5.7	6.1	5.5	91
Grains:							
Cornmeal and flour	7.4	6.9	7.2	7.4	7.4	7.4	100
Corn sirup	9.4	14.0	14.1	14.8	15.4	16.0	100
Corn sugar	3.6	4.6	4.6	4.7	4.9	4.9	100
Wheat flour[3]	120	112	112	112	112	110	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.3	7.5	7.9	8.3	7.4	101
Other:							
Coffee (green beans)	15.7	14.5	14.8	14.2	14.2	13.8	98
Tea	.58	.69	.69	.73	.73	.72	101
Cocoa beans	3.5	4.2	4.2	4.3	3.9	3.9	103
Peanuts (shelled)	4.6	5.5	5.7	5.8	5.9	5.9	---
Dry edible beans	7.7	6.3	6.9	6.3	6.8	5.9	102
Melons	25.1	22.0	22.4	22.4	23.1	23.3	94
Sugar (refined)	96.1	97.6	97.3	100.1	100.1	102.5	99

[1] Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August. July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice. [2] Commercial production for sale as fresh produce. [3] Includes white, whole wheat, and semolina flour.

consumption was accompanied by reduced prices, so returns to producers have been unfavorable since early last fall. As a result, producers are cutting output and by fall pork consumption will drop below the very high 1970 fall levels. However, summer consumption will still be large and for the entire year per capita pork consumption probably will run 6 pounds or more above the 66 pounds consumed last year.

Poultry and Eggs.—Per capita consumption of *eggs* during the first half of 1971 averaged 1 percent above 1970. However, output has tapered off in recent months, and consumption may average near the levels of the closing months of 1970. For all of 1971 egg consumption likely will be only fractionally higher than in 1970.

Chicken consumption per person in the first half of 1971 was below last year's record level, but summer supplies probably will about match a year earlier with some pickup in the fall. For the year, chicken consumption may be slightly lower than last year—the first decline in 10 years.

Turkey meat consumption in January-June, the period of seasonally light marketings, was up substantially. However, production in the last half will be near the relatively high levels of 1970 and per capita supplies may average near year-earlier levels this summer and fall. Cold storage turkey stocks on July 1 were a third larger than a year ago.

Dairy products.—The milk equivalent (fat content basis) of all dairy products consumed per person likely will drop 2 percent in 1971. Fluid whole milk and cream account for all of the decline as gains in consumption of cheese and low fat milk more than offset decreases for other products.

Cheese consumption per person will advance to another new high from the record 11.5 pounds of 1970. However, about half of the increase represents an increase in USDA donations. Continued declines are expected in consumption of butter and canned milk and per capita consumption of frozen dairy desserts may be down slightly this year. Increased USDA donations may help raise per capita consumption of nonfat dry milk in 1971.

Crop Food Products

Food fats and oils.—During calendar 1971, consumption of edible fats and oils may total around 53 pounds per person, approximately the same as the year before. Slightly greater use of cooking and salad oils is expected to offset a decline in butter as consumption of margarine, shortening, and direct use of lard will be about unchanged.

Fruit.—The deciduous fruit crop harvested this year will be about 2 percent larger than in 1970. Leading the rise is an expected 41 percent increase for pears, a 30 percent larger California grape crop, 18 percent more apricots, a 12 percent larger sweet cherry crop, and 9 percent more tart cherries. Decreased production is expected for apples, clingstone peaches, and California prunes and plums.

Demand for fresh and processed citrus items remains strong. Processing use of oranges is up from last year and prices also were higher. The grapefruit crop for 1970/71 is about 12 percent above the past two seasons. Even so, f.o.b. prices of fresh packed Florida grapefruit moved above a year ago. In addition a 16 percent increase in the pack of canned single strength grapefruit juice and a third larger stocks have been accompanied by cannery prices about equal to a year ago.

Stocks of canned sweet cherries, figs, and pineapple on June 1 were much larger than those a year ago. Heavy movement of canned peaches during April reduced stocks somewhat closer to normal levels—below the huge supplies on hand a year ago but still rather large. Canned items in lower supply than on June 1 a year ago include apples, applesauce, apricots, tart cherries, and mixed fruit items.

Stocks of 11 frozen fruits and berries averaged 21 percent lower on May 31 than on the same date a year earlier. Of these, only grapes, blackberries, and black raspberries were in larger supply.

Vegetables.—Consumption of fresh vegetables is expected to be slightly under a year ago, but close to the level of most recent years. However, per capita supplies of canned and frozen vegetables will continue at record levels. Summer supplies of vegetables for fresh use are slightly under those last year. Melon production was down 9 percent, reducing supplies of both watermelons and cantaloups, so per capita consumption of melons is down.

Acreage of 8 of the 10 processing vegetables is 2 percent larger than a year earlier, but 5 percent less than in 1969. This prospect, along with a substantial reduction in sauerkraut tonnage, suggests the pack of canned vegetables in 1971 could turn out to be the same or perhaps slightly larger than in 1970.

Total supplies of frozen vegetables likely will average about the same this year as in 1970. The 1971 pack of 6 major frozen vegetables—lima beans, snap beans, sweet corn, peas, spinach, and broccoli—may total 5-10 percent larger than a year earlier. However, because of reduced carryover, the total supply of these 6 items may be less than a year ago.

Potato supplies have been abundant so far this year, and promise to continue large in remaining months. Look for use of frozen potato products to top the record 11-pounds per person in 1970. Acreage of the important fall crop is estimated only 1 percent less than a year earlier. Net decreases in the 8 Eastern States and 8 Western States offset an increase in North Dakota in the Central region.

OECD Food Consumption Data

The Organization for Economic Co-operation and Development (OECD) has published its second volume on food consumption statistics including the quantity of

food consumed per capita and the calorie, protein, and fat content by food source for 20 countries. Since both food data and nutritive content per pound were compiled by each country and furnished to OECD, methodology and quality of the data vary considerably from country to country. OECD indicates intercountry comparisons of absolute levels should be approached with caution, but comparison of trends is more meaningful.

The compilation shows data for member countries only. It includes the United States, Canada, and Japan. But Warsaw Pact countries, all of Africa, Latin America, Oceania, and most of Asia are excluded. Despite some of the limitations, some interesting findings emerge.

Level and Proportion of Nutrients in 1968[2]

Energy value of food available for consumption ranged from a low of about 2500 calories per capita per day in Japan to a high of nearly 3500 calories in Ireland (table 9). The protein content ranged from about 70 grams per capita per day in Japan to about 100 grams in France, and dietary fat ranged from about 50 grams in Japan to over 150 grams in the Netherlands. For each of these nutrients, the average U.S. consumption was among those for the highest 4 countries.

The percentage of calories from protein varied little from country to country but the proportions from fat and carbohydrate fell into the following 3 distinct patterns:

	Proportion of calories from:	
	Fat	Carbohydrate
	Percent	*Percent*
Japan	17	71
Southern Europe	23-31	55-65
Northern Europe and North America	35 or more	54 or less (mostly 45-50)

[2] 1967 for a few countries.

Table 9.—OECD Countries: Calories, protein, and fat per capita per day from food available for consumption, 1960 and 1968[1]

Country	Energy value		Protein		Fat	
	1960/61 or 1960 calories	1968/69 or 1968 calories	1960/61 or 1960 grams	1968/69 or 1968 grams	1960/61 or 1960 grams	1968/69 or 1968 grams
North America						
United States	3,100	3,210	91	95	143	154
Canada[2]	3,010	3,160	92	95	135	148
Northern Europe						
United Kingdom	3,260	3,180	88	88	141	142
Ireland	3,470	3,450	91	93	130	134
Norway	2,940	2,900	83	82	129	127
Sweden	2,920	2,750	82	78	132	124
Finland	3,120	2,900	94	88	112	121
Denmark	3,310	3,180	88	89	158	153
Netherlands[2]	3,140	3,230	84	84	144	156
Belgo—Luxembourg Ec. Union[2]	3,060	3,140	90	89	131	145
France	3,100	3,160	99	102	124	147
Germany (Federal Republic)	3,010	2,990	80	83	131	139
Austria	2,990	2,990	87	87	111	127
Switzerland[2]	3,230	2,990	90	84	131	131
Southern Europe						
Spain	2,730	2,750	75	76	84	92
Portland	2,480	2,930	70	86	63	82
Italy	2,660	2,940	78	87	77	98
Greece[2]	2.940	2,900	95	99	85	99
Yugoslavia[2]	2,940	3,200	91	92	72	83
Asia						
Japan	2,300	2,460	66	71	29	48

[1] For some countries the data refer to crop years 1960/61 and 1967/68. [2] Latest year is 1967 or 1967/68.

Source: "Food consumption statistics 1960-1968", organization for European Economic Co-operation, Paris 1970.

The United States along with Denmark and the Netherlands had the highest proportion of calories from fat (43-44 percent).

There was also a pattern in the proportion of protein from animal foods. Japan and Southern Europe (the areas with lower fat diets) got less than half of their protein from animal sources, Northern European and North American countries over half. For many of the latter countries animal products supplied as much as two-thirds of the protein with the United States the highest (three-fourths).

Food Sources of Calories in 1968[3]

Different patterns in nutrients are, of course, related to the type of foods eaten. Following are the proportions of calories supplied by food sources:

	Southern Europe and Japan	Northern Europe & North America
	Percent	*Percent*
Starchy plants (grains, potatoes, legumes, nuts, cocoa)	44-64	26-36
Animal products	10-19	24-36
Fats and oils	9-18	13-25
Sugars	7-11	11-17

A low proportion of calories from starchy plants was not only related to a high proportion from animal products, as expected, but also to a high proportion from sugars and a somewhat higher proportion from fats and oils. However, the percent from fats and oils overlapped for the two groups of countries. The United States had the lowest proportion of calories from starchy foods (26 percent) and about the highest from animal products (35 percent) and sugars (16 percent) of any of the 20 countries, but our proportion from fats was near the middle of the group (17 percent). Canada's pattern was almost the same as that of the United States and the United Kingdom's was fairly close but with calories divided evenly between starchy and animal foods.

[3] See footnote 2.

Change in Nutrient Patterns, 1960-68

Nearly all of the OECD countries increased their proportion of protein from animal sources (none decreased) in the 1960's. Several which had been the lowest in this respect in 1960 showed the largest increases (30-50 percent), but still remained relatively low. In nine countries, including the United States, the increase in animal protein was accompanied by an increase in calories and an increase in the proportion of calories from fat. Only Denmark, Norway, and Sweden increased proportions of animal protein without any accompanying increase in calories or proportion from fat. A higher animal protein proportion is often considered an indication of a higher quality diet, but when food supplies are adequate and the higher percentage is accompanied by calorie increases, the result may be increased obesity. Seven countries did not increase calorie consumption, but did get a higher proportion from fat.

FISHERY PRODUCTS SITUATION[4]

The market for fishery products in the United States remained strong during the first half of 1971. Sales of some major species fell slightly, but this has been primarily attributable to shorter supplies. Conditions indicate a seller's market in most sectors. Prices have advanced sharply in the face of tighter supplies of both shellfish and finfish.

Supplies of most shellfish are running below a year ago. Imports as well as domestic landings are down, with declines in imports of shrimp particularly affecting the market. To meet market requirements despite a drop in imports and domestic production, suppliers have trimmed inventories of frozen shellfish sharply since the first of the year. The availability of stored supplies has thus made it possible for shellfish consumption to hold the same level as a year ago.

Supply shortages have similarly affected the groundfish industry this year (mainly cod, haddock, and flounder). Imports, which account for over four-fifths of these products, are off from a year ago, but unlike shellfish the groundfish industry did not have relatively large inventories on hand at the start of this year. Thus, prices have advanced significantly, and groundfish sales are down from a year ago.

The shortage has had a particularly heavy impact on the fortunes of the fish-and-chips restaurant chains. The fast growth in the number of fish and chips outlets in the United States—from 500 or so in early 1969 to about 1,100 in early 1971—resulted in an unprecedented increase in demand for cod fillets. With supply shortages, prices began to skyrocket and adjustments in menu prices and portion sizes became necessary. The combination of short supplies and high prices may have temporarily halted the growth in such outlets.

Halibut sales in the first half of 1971 were consistent with last year with little change in prices. Halibut production likely will be lower this year, and pressure on prices may build because of reduced supplies.

Canned salmon movements have been on a par with last year, but the 1971 pack will likely be below a year ago. Consequently, prices will gradually move up.

Frozen salmon sales have improved over a year ago, and prices have been firm. Inventories have dropped sharply since the first of the year but are still above normal.

Canned tuna movement has picked up considerably since the early months of 1971. Prices are expected to average higher than a year ago.

On balance, a slight decline in per capita fish consumption is expected in 1971 after 3 consecutive years of increase, mainly because of shorter supplies and higher prices.

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Sugar

1971 Per Capita Delivery Rate Eases

Through July, physical sugar deliveries ran about the same as those of the first 7 months of 1970. But on a per capita basis, the pace is slower and is allowing demand to catch up to the relatively rapid rate of deliveries last year. In 1967, sugar deliveries were only slightly larger than in 1966, but in 1968 they jumped 4 percent over the previous year. The increase eased considerably in 1969, but in 1970 picked up sharply again.

The pattern in sugar deliveries also is reflected in per capita consumption. Until 1968, per capita U.S. sugar consumption historically varied little from a 96-97 pound level. But in 1968 it rose to 100 pounds and to more than 102 pounds in 1970.

Recent trends in sugar deliveries and consumption

Calendar year	Sugar deliveries		Per capita consumption
	Total	Change from previous year	
	Raw value		
	Mil. tons	*Pct.*	*Lbs. (refined)*
1965	10.0	+1.6	96.6
1966	10.3	+2.7	97.6
1967	10.3	+.2	97.3
1968	10.7	+4.1	100.1
1969	10.8	+1.0	100.1
1970	11.2	+3.3	102.5

Source: Deliveries data adapted from *Sugar Reports*. Per capita data compiled by ERS.

Note: 107 pounds of sugar, raw value, are equivalent to 100 pounds of refined sugar.

Sugar Prices Hold Firm

Sugar prices at all levels were slightly higher in the second quarter this year than in the first quarter, and prices generally were about 5 percent higher than in the second quarter a year ago.

Cane Crop Up, Beet Crop Down

U.S. acreage of sugarcane for harvest this crop year (exclusive of Puerto Rico) is estimated at about 660,000 acres, up 12 percent from last year. This reflects a 15 percent expansion in the U.S. mainland area (Florida and Louisiana) and a 2 percent expansion in Hawaii. Based on normal yields, the cane sugar production will be about 6 to 9 percent over last year's 2.4 million tons (raw value). The Puerto Rican crop this year was down nearly 30 percent, reflecting a cutback in harvested acreage and lower yields.

Recent sugar prices

Market	Fourth quarter 1970	First quarter 1971	Second quarter 1971
	Cents per pound		
Wholesale:			
Domestic raw - New York	8.04	8.39	8.43
Refined[1]			
Cane - Northeast	12.20	12.27	12.45
Cane or beet:			
Chicago-West	11.45	11.57	11.60
Pacific Coast	11.20	11.27	11.40
Retail, U.S.[2]	13.32	13.43	13.54
	Change from year ago		
	Percent	*Percent*	*Percent*
Wholesale:			
Domestic raw - New York	+3.1	+5.0	+4.2
Refined:			
Cane - Northeast	+4.3	+4.9	+4.8
Cane or beet:			
Chicago-West	+10.6	+8.7	+5.7
Pacific Coast	+11.2	+7.7	+7.2
Retail, U.S.	+6.6	+6.5	+5.5

[1] Basis price, 100 lb. paper bags, carload lots. [2] 5-lb. package—BLS data.

Source: Adopted from data in *Sugar Reports*.

U.S. acreage of sugarbeets for harvest this crop year is expected to total about 1.34 million acres, down nearly 5 percent from last year. Only 5 of the 16 major producing States expanded acreage. With a normal yield per acre and higher recovery rates, beet sugar production should total nearly the same as last year's output of 3.2 million tons (raw value).

Sugar Act

Sugar Act bills have been passed by both the House of Representatives and the Senate. Differences between the two bills are now being considered by a conference committee. Both versions extend the Act for 3 years, transfer 300,000 tons of the Puerto Rican and Virgin Island quotas to the mainland area, and call for the use of the Wholesale Price Index as well as the Parity Index in establishing the price objective for raw sugar.

Coffee

Coffee Crop Coming Back

The first estimate of the 1971/72 world coffee crop by the Foreign Agricultural Service points to a total of 70.8 million bags (132.276 lb. each) of which about 52.1 million bags are expected to be available for export. This is the largest crop since 1965/66 and a fourth larger than the short 1970/71 crop.

World import demand for the 1971/72 crop year is expected to total at least 53 million bags. Thus, while exportable production will be in deficit for the sixth consecutive year, it is only modestly out of balance with the consuming needs of importing countries.

The indicated production gain, reflects mainly an increase in the Brazilian crop which last year totaled only 9.8 million bags compared with 19.0 million bags in 1969/70. The anticipated Brazilian crop will total 23.6 million bags, jumping to nearly 2½ times the 1970/71 crop. Apparently the coffee trees recovered extremely well from the effects of a killing frost in July 1969.

Larger U.S. Imports Likely

U.S. imports of green coffee will probably increase somewhat this year. Imports last year totaled approximately 2.7 billion pounds, the same as in 1969, but down from 3.4 billion in 1968. For the first 6 months of 1971, green bean imports were running only about 2 percent ahead of last year's level for the same period. But the pace may pick up later this year as imports from Brazil's new crop enters marketing channels.

Coffee Prices Continue to Ease

Wholesale coffee prices peaked last year in response to smaller supplies, especially the short Brazilian crop. With minor exception, green coffee prices declined late last year and have eased further this year. Except for Robusta, green coffee prices are now considerably lower than a year ago.

Retail coffee prices lag changes in green coffee prices, so retail prices of roasted coffee have declined only slightly from the peak in the last quarter of 1970 (figure 9). Retail prices of instant coffee have not declined, but are only slightly higher now than in the fourth quarter of 1970. Despite the recent easing, retail coffee prices are still about 5 percent higher than last year at this time.

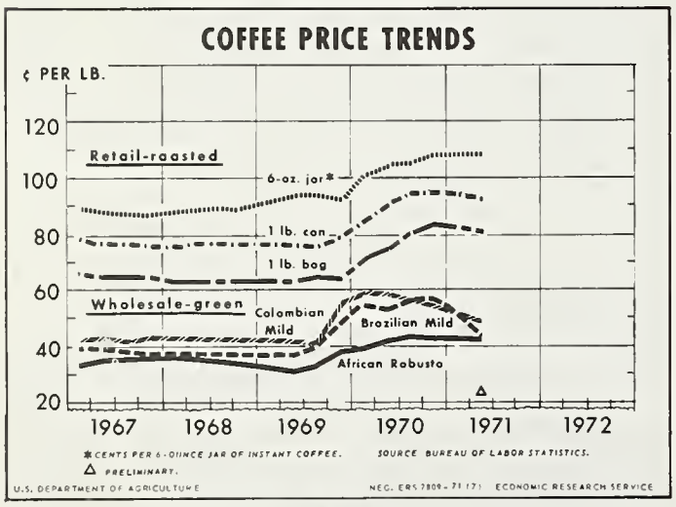

Figure 9

The large 1971/72 Brazilian crop may have some further impact on U.S. coffee prices. Ordinarily, a large crop would lead to lower coffee prices, but coffee consumption is expected to outpace production, resulting in a further drawdown of world coffee stocks. Also, the operations of the International Coffee Organization can restrict both exports of supplying countries and imports of consuming countries. Thus, circumstances this year may prevent much further decrease in prices and hold both wholesale and retail prices near current levels for the next few months.

Recent coffee prices

Market	Fourth quarter 1970	First quarter 1971	Second quarter 1971
	Cents per pound		
Wholesale:			
Green - New York:			
Colombian - Manizales ...	55.0	52.5	49.5
Mexican - Washed	48.8	46.2	46.2
Brazilian - Santos No. 4 ..	57.1	52.7	44.2
Robusta - Ambriz No. BB .	43.4	43.2	42.9
Retail:			
Roasted:			
1 pound can	95.8	94.9	93.4
1 pound bag	82.9	82.4	80.1
Instant, 6-oz. jar	108.5*	108.6*	108.9*
	Change from year ago		
	Percent	*Percent*	*Percent*
Wholesale:			
Green - New York:			
Colombian - Manizales ...	+0.9	-10.6	-14.8
Mexican - Washed	+3.2	-11.0	-15.8
Brazilian - Santos No. 4	+18.0	-3.5	-17.8
Robusta - Ambriz No. BB	+13.0	+10.2	+1.9
Retail:			
Roasted:			
1 pound can	+22.6	+12.3	+3.8
1 pound bag	+26.0	+16.1	+6.0
Instant, 6-oz. jar	+13.0	+7.8	+4.7

*Cents per 6-oz. jar.

Source: Adapted from BLS data.

Coffee Drinking on Downswing

Per capita U.S. coffee consumption totaled 13.8 pounds in 1970 (green bean basis), down slightly from 14.2 pounds in 1969. Per capita consumption is expected to decline again this year, but probably somewhat less than in 1970. The downtrend was accelerated last year by the rise in retail prices. Retail prices are expected to remain near current levels the rest of this year, and average higher, so the anticipated decline in per capita consumption may be more in line with the downtrend begun in 1962.

Cocoa and Chocolate

Per capita cocoa consumption (bean equivalent) totaled 3.9 pounds last year, the same level as in 1969 and down from the recent peak of 4.3 pounds in 1968.

Larger world supplies and declining prices prevented another decline in consumption.

Per capita consumption this year may average slightly higher than last year's level as a result of larger cocoa supplies and lower cocoa prices. Most of the prospective increase will occur in the second half of the year as per capita consumption for the first half ran slightly less than last year.

The 1970/71 world cocoa crop is now expected to total about 1.5 million metric tons, about 5 percent larger than the previous year, and over a fifth larger than the poor 1968/69 crop. Production may exceed consumption for the second year in a row following 4 years of deficit production with both foreign and U.S. stocks worked down to low levels.

Now that the size of the 1970/71 crop is known, the industry is focusing on the upcoming 1971/72 cocoa crop harvest, which begins in October, and on the quarterly grind reports from major consuming countries. Early season reports indicate favorable growing conditions in the major producing countries, so another good cocoa harvest is forecast.

Larger world supplies and lower prices helped boost U.S. imports of cocoa beans to 625 million pounds last year, nearly 30 percent above 1969. Imports this year will probably exceed year-ago levels with first half imports totaling 368 million pounds, about 14 percent more than last year.

Imports of cocoa and chocolate products totaled 229 million pounds (bean equivalent basis) in 1970, up 15 percent from 1969. The major push came from cocoa butter imports which more than doubled, while imports of unsweetened chocolate and unsweetened cocoa powder remained essentially unchanged. Based on data for the first half, imports of products will nearly equal last year's total or may exceed it. Cocoa butter imports are ahead of last year's schedule and imports of unsweetened chocolate and cocoa powder are continuing at the 1970 pace.

With larger world supplies of cocoa now available and with U.S. imports rising, U.S. grindings likely will exceed last year's level. However, the full thrust of this increase will have to come in the last half, since the first half grind was fractionally behind a year ago. Last year some firms elected to shut their plants for a time in the third quarter, so that the third and fourth quarter grind this year will exceed that of a year ago, bringing the annual total some 2 to 4 percent above 1970.

Wholesale cocoa bean and butter prices have dropped sharply from earlier levels, though second quarter prices this year averaged only slightly lower than in the first quarter. The decrease reflected the larger world crop in 1970/71 and anticipation of adequate supplies in the coming year. Retail prices of chocolate bars and chocolate (flavored) sirup have remained virtually unchanged for the last 3 quarters, though higher than a year ago.

For the next few months cocoa bean prices may remain within the 25 to 30 cent range, until a better fix can be obtained on the forthcoming 1971/72 cocoa harvest. Traditionally, July, August, September, and October are the "crop scare" months. Cocoa prices frequently jump around in this period in response to trade rumors about the size of crop, weather, insect infestation, etc. In November, when crop prospects firm up, cocoa prices will adjust to the market situation.

Recent cocoa and chocolate prices

Market	Fourth quarter 1970	First quarter 1971	Second quarter 1971
	Cents per unit		
Wholesale, New York:			
Cocoa beans - Accra (lb.)	34.3	28.3	26.3
Cocoa butter (lb.)	67.6	54.8	52.6
Retail, U.S.:			
Chocolate bar (1-oz.)	6.7	6.7	6.7
Chocolate sirup (16-oz.)	25.5	25.6	25.6
	Change from year ago		
	Percent	*Percent*	*Percent*
Wholesale:			
Cocoa beans - Accra	-26.7	-20.9	-13.8
Cocoa butter	-31.4	-28.5	-14.7
Retail:			
Chocolate bar	+11.2	+6.9	+2.6
Chocolate sirup	+4.7	+3.1	+2.0

Source: Wholesale data adapted from Journal of Commerce; retail data from BLS.

FOOD SUPPLY AND UTILIZATION

More Output of Food Commodities

Overall production of food commodities in 1971 could run around 5 percent above the 1970 level with crop commodities gaining more than livestock commodities. Much of the outlook for crop production is keyed to the size of the 1971 corn crop. Based on the July *Crop Report* about 64½ million acres of corn will be harvested for grain this year, 12 percent more than in 1970. The crop has made good early season growth but the presence of blight again gives more than usual uncertainty to the final outcome of the crop.

Other commodities with larger production prospects include hogs, cattle, fruit, wheat, sugarcane, soybeans, and cottonseed. These increases will be partly offset by smaller production of vegetables, potatoes, and sweetpotatoes.

Greater Food Imports

Imports of food commodities this year probably will average larger than in 1970, again accounting for perhaps a tenth of the total U.S. food supply.

The importance of food crop imports, nearly 14 percent of the total crop food supply, is fractionally more than in the previous 2 years. Livestock food product imports are running less than 4 percent of total livestock food supply this year, about the same level as in 1969 and 1970, but substantially more than the share of the mid-1960's (table 10);

Table 10.—Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1965 to date [1]

Year	Supply			Total annual utilization	Utilization					
					Domestic Use				Total	Exports and shipments[4]
					Food		Non-food			
	Production	Imports[2]	Stocks[3]		Civilian	Military	Seed and feed	Other		
	A.—All food commodities indexes: (1967=100)[5]									
1965	93.8	92.1	105.8	96.3	95.2	90.6	---	102.8	95.4	103.5
1966	92.5	99.7	106.9	98.9	96.8	96.7	---	105.6	97.1	111.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970[6]	98.6	105.0	120.7	105.8	105.9	70.2	---	91.2	104.7	114.0
1971[6]	104.6	107.4	111.8	107.4	108.5	64.4	---	95.3	107.2	108.7
	Livestock food commodities (1967=100)									
1965	94.9	71.5	104.0	95.4	94.5	86.1	107.6	103.1	94.7	124.3
1966	96.8	95.0	86.2	97.1	96.7	92.2	113.8	99.7	97.1	100.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970[6]	103.6	125.0	96.8	104.8	105.8	71.4	101.6	96.1	104.7	109.1
1971[6]	106.4	119.5	106.1	107.5	108.8	65.0	102.7	98.0	107.5	108.9
	Crop food commodities (1967=100)									
1965	91.8	97.0	105.7	95.9	96.8	106.9	91.1	102.6	94.8	100.6
1966	92.3	100.5	107.8	103.0	97.0	113.1	104.6	108.4	100.7	113.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970[6]	98.5	100.4	121.8	109.7	106.2	65.3	114.8	88.8	108.6	114.7
1971[6]	105.3	104.6	112.1	108.9	107.9	62.3	112.7	94.0	108.9	108.7
	B.—All food commodities: Percentage of annual utilization [5]									
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970[6]	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971[6]	90.7	10.3	-1.0	100.0	84.3	1.1	---	2.5	87.9	12.1
	Livestock food commodities: Percentage of annual utilization									
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970[6]	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971[6]	96.6	3.6	-.2	100.0	92.9	1.4	2.0	1.3	97.6	2.4
	Crop food commodities: Percentage of annual utilization									
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.0	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970[6]	81.2	13.3	5.5	100.0	43.1	.4	34.6	2.7	80.8	19.2
1971[6]	87.5	14.0	-1.5	100.0	44.2	.4	34.3	2.8	81.7	18.3

[1] Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities, see NFS 124 (May 1968) page 15; for comparable data for 1950-64, see NFS 136, (May 1971) pp. 20-22. [2] Includes shipments from U.S. Territories. [3] Farm (other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. [4] Includes shipments to U.S. Territories. [5] Feed and seed omitted from total commodities to avoid double counting of use through livestock. [6] Preliminary.

Exports Down Slightly

The volume of exports of food commodities in 1970 sharply exceeded the reduced volume in 1969, largely reflecting greater crop food exports.

Export volume ran higher in the first half of the year, but the pace may slacken in the second half, perhaps enough to leave the total for the year below that of 1970. However any decline for food commodities will likely be offset by larger exports of nonfoods so that exports of all agricultural commodities may be near last year's total. Higher prices will mean a total value of exports well above 1970 levels.

If there is an extended dock strike this fall, export expectations will be lower.

Domestic Utilization Up Again

Larger domestic utilization is anticipated again this year with civilian food use accounting for all of the rise. Based on preliminary data, overall military procurement of food commodities is expected to decline modestly again, from a recent peak of 1.9 percent in 1967 to about 1.1 percent of total annual utilization of agricultural food commodities.

The rise in domestic use and the potential decrease in volume of exports means total utilization will rise again this year but probably not as much as the 3.1 percent increase last year.

Percent of Income Spent For Food—Estimates From National Income and Household Survey Data

by Fredericka Bunting and Corinne Le Bovit[1]

Abstract: Several sources of data used to derive the percentage of disposable income spent for food are compared and reasons for differences in concept and in procedure are examined. Data from different sources were adjusted for comparability. Percentages calculated from the adjusted data from the Consumer Expenditures Survey and the national income accounts were nearly the same; percentages calculated from the Household Food Consumption Surveys were much higher. CES data are more representative of a median family, while NIA data are useful as indicators of the trends for the national economy.

Key Words: Food expenditures, food, income.

The only continuing statistical series showing the percentage of income spent annually for food is computed by the Economic Research Service from U.S. Department of Commerce data. This percentage is one measure of the economic well-being of the Nation and shows the overall trend in the proportion of the Nation's disposable income allocated to personal expenditures for food. This proportion declined from 20 percent in 1960 to less than 17 percent in 1970, indicating that consumers now have more of their income to spend on other goods and services.

The ERS percentage is based on aggregate data for the entire country and differs considerably from that of an average family. Data from the 1960-61 Survey of Consumer Expenditures, conducted by the U.S. Department of Labor and the U.S. Department of Agriculture, showed that the percent of income spent for food varied from about 12 percent for families with an income of $15,000 and over to well over 50 percent for families with incomes below $1,000. By family size the percentage varied from about 20 percent for 2 person families to about 30 percent for families of 6 or more.

This article examines the percentage of income spent for food calculated annually by ERS from the food component of personal consumption expenditures in the national income accounts (NIA) of the Department of Commerce and those derived from 3 different surveys for selected years—the 1965 and 1955 Surveys of Household Food Consumption (HHFC) and the 1960-61 Consumer Expenditure Survey (CES).[2] The various methodological and conceptual differences are examined as a basis for explaining rather wide variations in estimates of the percentages of income spent for food (table 11).

Calculation of the Percentage

The calculation of the percentage is simply total food expenditures divided by income after taxes. However, the definitions of both the numerator and denominator vary in the different data sources. These variations in concept as well as problems in the collection and summarization of the data explain different percentages obtained.

Table 11.—Food and alcoholic beverage expenditures as a percent of disposable income (calculated from published data, unadjusted)

Source	Year 1955	Year 1961	Year 1965
	Percent	*Percent*	*Percent*
HHFC[1]	36		30
CES[1]		24	
NIA[1]	24	23	21

[1] Abbreviations refer to data source: HHFC—Household Food Consumption Survey; CES—Consumer Expenditures Survey; NIA—National Income Accounts.

[1] Economist and Food Economist respectively in the Economic and Statistical Analysis Division, Economic Research Service.

[2] For more information see Household Food Consumption Survey, 1965-66, *Food Consumption of Households in the United States, Spring 1965,* Report No. 1, USDA, ARS, February 1968. Household Food Consumption Survey 1955, *Food Consumption of Households in the United States,* Report No. 1, USDA, December 1956. Survey of Consumer Expenditures, 1960-61, *Consumer Expenditures and Income, Detail of Expenditures and Income,* Total United States, Urban and Rural, Supplement 3-Part A to BLS, Report No. 237-93, (USDA Report No. CES-45), May 1966. *The Biennial Supplement to the Survey of Current Business, Business Statistics,* U.S. Department of Commerce, OBE, August 1965, *A Supplement to the Survey of Current Business, National Income,* 1965 Edition, USDC, OBE, *A Supplement to the Survey of Current Business, Personal Income by States,* USDC, OBE, September 1956.

Food Expenditures

Each of the surveys (HHFC and CES) and NIA include the same components in the estimates of food expenditures, but these components are treated differently because the objectives of each data set are different. The HHFC surveys were designed to measure the use of food in households and the resulting implications for food habits and dietary levels of the U.S. population. Only housekeeping households (those where at least 1 person ate at least 10 meals at home during the survey week) were included; persons living on military reservations, in institutions, and in rooming and boarding houses were excluded. Although food use was the objective, the average value of food used by a large group of families would not be expected to differ greatly from the average value of food acquired during the period of the survey.

The CES was designed to measure consumer expenditures for various categories of goods and services. These data were used in the revision of weights used in computing the Consumer Price Index.

Personal consumption expenditures for food from the NIA are estimated from business and government sources rather than from individual household records. Estimates for a benchmark year are developed by the "commodity flow" method where the values of transportation and distribution services are added to the producer's value to arrive at total consumer purchases. Estimates for other years are derived by interpolation and extrapolation using retail sales of food.

The various estimates of food expenditures also are affected by the methods of data collection. Any survey requires individual contact and response which involves a variety of factors that can influence reliability of the response. For example, inaccurate recall by respondents can affect the validity of any survey. Survey schedules are structured to mitigate this problem, and such factors as the extent of detailed questions to help memory can be important.[3]

In addition to the differences in general methodology, other differences in concept and measurement occur for individual components. (See table 12.)

[3] Barbara Reagan, *Condensed vs. Detailed Schedule in Expenditure Surveys*, Ag. Econ. Res. 6:41-53, April 1954.

Table 12.—Differences in food expenditure components

Component	NIA[1]	CES[1]	HHFC[1]
Food at home:			
1. Purchased	Commodity flow method from business data.[2]	1 year recall of expenditures; by interview for several broad groups of outlets with non-food items subtracted.	1 week recall of food used; by interview from detailed list of items; includes carryout food from public eating places.
2. Home produced	Farm sector only; farm prices.	All families; retail prices.	All households; retail prices.
3. Received as gift or pay	No comparable item. Gift or pay from other individuals is part of purchased.	Included.	Included.
4. Government donations	Not included.	Included.	Included at prices supplied by Commodity Distribution Division.
Meals and snacks away from home:			
1. Purchased	From business data with Census benchmarks. Excludes meals that are part of other categories such as air fares or hospitals or camp fees. Includes food carried from public eating places.[2]	1 year recall of total; includes some alcoholic beverages. Excludes meals that are part of packaged tours.	1 week recall of total; includes alcoholic beverages (probably underreported).
2. Without expense	Food furnished commercial and government employees (including military).	Meals as pay.	Not included.
All components	Include military.	Exclude military and institutionalized population.	Exclude military and institutionalized population.

[1] Abbreviations refer to data source; HHFC—Household Food Consumption Survey; CES—Consumer Expenditures Survey; NIA—National Income Accounts. [2] ERS assumes from 1963 Census data that 25 percent of meals and beverages away from home is alcoholic beverages and subtracts this from the total. The remainder of the alcoholic beverage expense is subtracted from food purchased for off-premise consumption

Comparability of Food Expenditures

After assembling comparable components and adjusting NIA for alcoholic beverages, we can make a rough comparison of the survey data with NIA time series estimates (table 13). The detailed schedule used for food at home on the 1965 HHFC survey resulted in significantly higher per capita expenditures than the NIA food expenditure series indicate. The higher figures apparently are caused by several additional factors: (1) The average size of household is slightly understated because it is measured as 21-meal-equivalent persons, (2) a tendency to report some food used in the period just prior to the survey, (3) a tendency to round upward, and (4) the limitation of the survey to housekeeping households. However, the effect of this last item was probably slight, because only 3 to 4 percent of the potential households were so excluded in 1965 and most of those likely have no more than one person.

Table 13.—Comparison of food expenditures per capita per year from alternative sources

Food components	1965			1960-61			1955		
	HHFC[1]	NIA[1]	Percent difference	CES[1]	NIA[1]	Percent difference	HHFC[1]	NIA[1]	Percent difference
	Dollars	*Dollars*	*Percent*	*Dollars*	*Dollars*	*Percent*	*Dollars*	*Dollars*	*Percent*
Food and alcholic beverages									
For use at home	457	397	15	353	352	0	376	315	19
Home produced	(20)	4	400	(14)	6	133	(28)	9	311
Other	437	393	11	339	346	-2	348	305	14
Away from home	(97)	111	-13	77	96	-20	(72)	92	-22
Purchased	97	103	-6	71	89	-20	72	84	-14
As pay	---	8	---	6	7	-14	---	8	---
Total	(553)	508	9	(430)	448	-4	(448)	406	10
Food only									
For use at home	(440)	356	24	328	316	4	365	281	30
Away from home	([2]97)	85	14	[2](77)	74	4	[2](72)	71	1
Total	([2]536)	441	22	[2](404)	390	4	[2](437)	351	24
Alcoholic beverages at home	17	41	-56	25	36	-31	11	34	-68

[1] Abbreviations refer to data source: HHFC - Household Food Consumption Survey; CES - Consumer Expenditures Survey; NIA - National Income Accounts. [2] Includes alcoholic beverage expense. Parentheses indicate components different from National Accounts.

The CES expenditures come closer to the NIA data than does HHFC, but they also are higher. The CES concept reflects the valuation of home produced food at retail prices rather than at farm prices used in NIA. This larger total is partly offset by the exclusion of food furnished military employees, which is included in NIA.

Expenditures for food away from home obtained from survey data are not entirely consistent with NIA estimates, since the survey data include an unknown proportion of alcoholic beverages. This information on eating away from home is a special problem in household surveys because of recall difficulty and the respondent's lack of knowledge of expenditures by other family members.

The value of alcoholic beverages reported consumed at home is considerably lower in CES and HHFC surveys than in NIA.[4] In addition to poor recall and lack of knowledge, survey respondents probably intentionally under-report spending in this category.

Income

Incomes both in the surveys and the NIA include the same seven basic components: wages and salaries, proprietors' income, rental income, other labor income, dividends, interest, and transfer payments. However, the concepts and definitions of these components reported in surveys differ from those of disposable personal income (DPI) within the NIA (table 14).

Household Surveys—The CES used the most detailed schedule and listed separately a variety of income sources. The 1955 HHFC Survey used general questions

[4] Alcoholic beverages consumed away from home are estimated by ERS to be 25 percent of NIA total value of food and beverages away from home. The remaining alcoholic beverages are assumed to be used at home.

Table 14.—Summary of the income component differences

Component	NIA[1]	CES[1]	HHFC[1]
I. Wages and salaries:			
1. Wages and salaries	Includes food, housing, clothing received as pay.	Includes food & housing as pay	
2. Employee contribution to public social insurance	Not included in income (deducted)	Included (not deducted)	Included (not deducted)
3. Employer contribution to private pension funds	Other labor income	None reported	Not reported
4. Employer contribution to private medical insurance and expense	Other labor income	Received without direct expense (W.D.E.)	Not reported
5. Benefits from employers' contribution to medical care expenses	Other labor income	W.D.E.	Not reported
II. Proprietorships and partnerships	Includes net business income less depreciation, capital gains, and business saving.	Net income less depreciation, etc. Also includes items taken for personal use.	Included
III. Occupational expenses	Not deducted from income	Deducted from income	None reported
IV. Investments:			
1. Interest accrued, not received	Included	Not included	Not included
2. Interest imputed	Included	Not included	Not included
3. Interest received	Included	Included	Included
4. Dividends from corporations not formed for profit	Not included	Included	Included
V. Other income:			
1. Income from the sale of home produced foods (not farm operation)	Not included	Included	Included
2. Transfers between private people	Cancel out in the aggregate	Some are included as income, others are included as "other money"	Included
3. Individual bad debt to business	Included in income (a business transfer to the private sector)	Not specifically itemized, none reported	None reported
4. Imputed net rental value of owner-occupied homes	Included	Not included	Not included
VI. Conceptual definition of "Persons"	Not only people but also non-profit organizations, private trusts, private pension and health funds	Only people	Only people

[1] Abbreviations refer to data source; HHFC—Household Food Consumption Survey; CES—Consumer Expenditures Survey; NIA—National Income Accounts.

regarding the seven basic income components. The 1965 survey used only one general question requesting the family's income range.

Disposable Personal Income, NIA—As in the estimation of expenditures, the Commerce Department develops its income accounts primarily from secondary data collected by numerous agencies from the business and governmental sectors rather than directly from individuals.[5] Although the major income components are the same as those included in the 1960-61 CES and the two HHFC surveys, there are a number of conceptual differences. The most important of these are shown on table 14 and explained below.

Persons—Conceptually, DPI differs most basically from the surveys in its definition of persons. The surveys consider only individual people, but Commerce also defines as people such "quasi-individuals" as non-profit institutions, private trust funds, and health and welfare funds.

Personal Rental Income—A second major difference in the definitions occurs because the Commerce Department includes an imputed net rental value of owner-occupied farm and nonfarm dwellings in DPI. This figure represents the value or rent which could have been realized if the homeowner had offered his home for rent, less the actual expenses (including depreciation) incurred in the ownership of the home. Thus, the Commerce Department treats the operation of the household as if it were a business. The surveys do not consider this item as income.

Interest—The surveys include only the interest income received. The NIA includes total interest, monetary and imputed, received and accruing. Imputed interest measures the value of services provided by banks and savings and loan associations, which are rendered to persons without the assessment of specific charges. Life insurance companies are also a source of imputed interest income as the property income received is considered accrued to the policy holder while premiums are considered to cover operating expenses.

Business—The NIA allocates all the net income of unincorporated enterprises exclusive of capital gains or losses or depletion and inclusive of savings to the proprietor on a personal basis. The CES and the 1955 and 1965 HHFC surveys include only the actual income received, along with the value of goods and services taken from the business without direct expense.

Transfers—The NIA includes separate accounts for transfers from business and government. Interpersonal transfer payments, such as gifts of money or charity donations, are included in the aggregate but cannot be distinguished. The CES gathered data for two related income categories, "Other Money Receipts" and "Value of Items without Direct Expense" which were not included in the published income figure. Other money receipts comprised large windfall gains such as inheritances. CES did not consider these representative of the true income of the consumer unit over a period of time and thus excluded them. Most of these monies are also excluded by NIA. In addition to gifts and other items, income received without direct expense includes employers' contributions to private health insurance plans and other medical care furnished by employers, hospitals, welfare agencies or other persons outside the family. Income from the 1965 and 1955 HHFC surveys was defined to include transfers, but they were not specifically itemized.

Comparability of Income

To achieve better comparability the CES and the NIA's DPI were adjusted to reduce the effect of the different definitions and concepts.

CES—The following adjustments were made to the CES income:

Annual income before taxes per household	$6,246
Less personal taxes	688
Add:	
Value of goods and services w/o direct expense	196
Occupational expenses (union dues, univorms, etc.)	43
Adjusted income after taxes	$5,797

NIA—A complete adjustment of NIA to make it more comparable with the household series is statistically infeasible because of the methods of deriving the imputed values. A limited number of the imputations can be obtained directly from the national accounts (table 15). Other quasi-individual and imputed income components are estimated by the Department of Commerce. These adjustments reduced DPI by 5.2 percent in 1955, 4.7 percent in 1961, and 4.9 percent in 1965.

HHFC Surveys—Only the total income was reported in the HHFC surveys so no adjustments could be made. Besides this difficulty there were some problems in assessing the accuracy of the estimate of total income even after the definitional problems had been straightened out. One was the limited extent of the specific questions and the resulting imprecise information. Another problem was the unwillingness of some respondents to give complete and accurate income information for a government survey. Also, the income reported on both the 1955 and 1965 surveys was that earned during the previous year and was adjusted in this study to estimate incomes in the survey period.

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[5]Data sources are discussed in detail in a Supplement to the *Survey of Current Business, Business Statistics, 1965,* U.S. Dept. of Commerce, OBE, August 1965, *Supplement to the Survey of Current Business, Personal Income,* OBE, September 1968, *Supplement to Survey of Current Business, National Income,* 1954 Edition, OBE.

Table 15.—Disposable personal income: Adjustments for comparability with survey data

Source of imputations	1965	1961	1955
	Million dollars	*Million dollars*	*Million dollars*
Disposable personal income	472,200	364,000	275,000
Deduct:			
Imputed rental value of nonfarm housing[1]	10,627	8,839	7,567
Imputed rental value of farm housing[1]	1,700	1,600	1,300
Imputed interest of financial institutions[1]	15	10	6
Other imputed income[2]	17,300	12,251	7,927
Property income of non-individuals[2]	4,600	3,200	2,200
Accrued interest on U.S. Savings Bonds[1]	900	600	400
Bad debt adjustment[2]	400	300	100
Total deductions	35,542	26,800	19,500
Add:			
Social Security[1]	12,500	9,600	5,200
Adjusted income	449,158	346,800	260,700
Percent decrease in income	4.9	4.7	5.2

[1] Survey of Current Business, U.S. Department of Commerce, O.B.E., July 1966, July 1962, July 1956. [2] Reconciliation between personal income and adjusted gross income of taxable and non-taxable individuals, Office of Business Economics, U.S. Department of Commerce.

Adjusted Percentages

Some significant differentials remained even after adjusting for comparability in expenditures and incomes (table 16). The two percentages derived from the HHFC surveys remained much higher than the figures derived from the NIA. The difference may be due to a number of factors such as: (1) Exclusion of non-housekeeping households from the survey, (2) undercoverage of households in the upper income groups, (3) probable over-reporting of food expenditures, and (4) probable under-reporting of income on the HHFC surveys. The first item may increase the percentage slightly, while the second might amount to about a 1 point decrease. The last two represent potentially large sources of discrepancy.

The CES and NIA percentages after adjustments are about the same, 24 percent for 1960-61.

Conclusions

We can conclude that the unadjusted HHFC data yield a percentage considerably larger than that of an average family while the National Income Accounts yield a percentage that is smaller because of the inclusion of non-individual and imputed income components. According to a study of distribution of family incomes, underrepresentation of high-income families in CES is substantial.[6] This factor probably accounts for most of the remaining differences between CES and NIA percentages after adjustment. It appears then that the CES data, even before adjustment, come closest to the circumstances of a median family (25 percent of income for food in 1960-61).

Comparisons of HHFC and NIA percentages for 1955 and 1965 indicate a long-term decline in the percentage of disposable income spent for food, but the magnitude of the decline is open to question. Since 1955, the published estimate derived from NIA has declined significantly. According to HHFC surveys, expenditures for families also have declined, but perhaps not as much.

All of the percentages have a place in our array of statistical data. In a macro-economic context, the NIA data measure the proportion of the Nation's aggregate disposable income which is devoted to personal food consumption. However, DPI is not synonymous with the income available to families for allocation among the various commodities in the marketplace. In the micro context the household surveys are more meaningful to those interested in average expenditures in basic consuming units.

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[6] "Consumer Expenditures and Income: Survey Guidelines"; Department of Labor, BLS Bulletin 1684 (In press).

Table 16.—Three comparisons of the percent of income spent for food[1]

Food components	1965		1960-61		1955	
	HHFC[2]	NIA[2]	CES[2]	NIA[2]	HHFC[2]	NIA[2]
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Food and alcoholic beverages:						
For use at home	24	17	19	19	30	20
Purchased	23	17	18	19	27	19
Home produced	1	([3])	1	([3])	2	1
Other	1	---	([3])	---	1	---
Away from home	5	5	4	5	6	6
Purchased	5	4	4	5	6	5
As pay	---	([3])	([3])	([3])	---	1
Total	29	22	23	24	36	26
Alcoholic beverages[4]	1	3	1	3	1	3
Food only						
For use at home	23	15	18	17	30	18
Away from home	5	4	4	4	6	4
Total	28	19	22	21	36	22

[1] Data adjusted for comparability when possible. [2] Abbreviations refer to data sources: HHFC - Household Food Consumption Survey; CES - Consumer Expenditures Survey; NIA - National Income Accounts. [3] Less than 0.5 percent. [4] At home only for HHFC; partial away-from-home for CES; total for NIA.

Table 17.—Wholesale food price indexes and Wholesale Price Index, selected periods[1] (1967=100)

Year and month	Farm Products						Processed foods and feeds									All Food	Industrial commodities[7]	All commodities
				Meats														
	Eggs	Fresh and dried fruits and vegetable[2]	Total[3]	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables[2]	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages[4]	Total[5]			
1957-59	118.6	98.4	100.3	94.5	95.1	94.9	116.3	79.8	82.0	93.3	98.0	85.4	88.5	93.9	89.5	92.1	94.1	94.3
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1966	128.0	100.9	105.9	98.4	111.8	104.3	113.1	101.5	97.2	97.8	102.5	98.5	97.8	99.3	101.2	101.9	98.5	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	108.8	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
January	180.5	114.8	112.8	112.9	123.9	118.5	124.2	126.6	109.8	109.0	105.4	104.4	114.2	110.2	112.0	115.1	108.3	109.3
February	162.4	115.4	114.0	111.7	121.9	118.1	117.3	127.7	110.0	109.4	105.4	105.3	113.0	111.1	112.1	114.6	108.7	109.7
March	142.5	116.3	114.6	118.3	119.6	120.7	121.7	124.3	109.2	108.7	110.2	105.6	112.7	111.2	111.8	115.0	108.9	109.9
April	112.6	110.9	111.6	119.8	112.9	119.1	115.0	123.1	110.8	109.6	111.4	106.4	113.9	111.5	111.8	113.4	109.3	109.9
May	94.5	121.6	111.3	115.3	112.9	116.4	115.6	120.6	111.1	110.2	110.9	106.4	114.5	113.0	111.1	113.1	109.7	110.1
June	101.2	120.3	111.6	115.6	116.6	118.2	109.4	123.6	111.1	110.5	111.0	106.4	115.4	113.0	111.7	113.7	109.8	110.3
July	131.9	110.8	113.4	119.3	122.3	120.7	114.7	123.4	111.3	110.9	111.0	107.4	117.1	113.1	113.3	115.0	110.0	110.9
August	106.3	98.0	108.5	116.8	114.6	116.6	110.1	124.9	111.7	111.6	112.3	108.0	117.2	113.7	112.9	112.6	110.2	110.5
September	139.5	111.6	112.1	114.6	110.2	113.9	115.1	126.1	111.4	112.0	112.3	109.2	118.2	114.1	113.0	114.5	110.4	111.0
October	104.6	100.8	107.8	112.1	101.7	109.9	108.6	122.7	112.0	111.1	115.2	109.9	118.6	114.5	111.8	111.7	111.3	111.0
November	117.8	107.7	107.0	111.1	94.5	106.5	110.0	126.8	112.2	111.6	119.0	110.6	118.1	114.7	111.7	112.3	111.3	110.9
December	127.3	111.3	107.1	106.0	89.4	102.0	97.2	132.0	112.8	111.0	117.5	110.9	117.8	114.3	110.7	111.2	111.7	111.0
1971																		
January	113.3	115.7	108.9	113.3	92.6	105.9	110.1	130.0	112.8	111.2	119.4	111.0	118.6	115.0	111.8	112.4	112.2	111.8
February	97.6	118.3	113.9	122.2	102.4	113.6	112.7	132.6	112.3	111.5	119.4	111.1	118.3	115.2	113.3	114.2	112.5	112.8
March	101.2	125.3	113.0	122.1	92.4	110.9	111.8	130.9	115.0	111.9	119.4	111.5	119.2	115.3	113.7	115.0	112.8	113.0
April	104.4	120.8	113.0	124.4	91.0	111.5	110.7	132.3	115.5	113.0	119.4	111.5	118.6	115.6	113.5	114.7	113.3	113.3
May	92.4	127.5	114.0	128.0	96.3	115.1	112.0	132.4	116.2	114.0	118.5	111.5	119.2	115.7	114.5	116.0	113.7	113.8
June	98.0	136.1	116.0	124.4	97.7	114.1	118.7	137.1	116.1	115.4	118.5	111.5	119.0	115.7	114.9	117.0	113.9	114.3
	Seasonally adjusted																	
1970																		
January				---	---	---	---	---	110.0	108.8	105.2	---	113.7	---		---	---	---
February				---	---	---	---	---	110.4	109.3	105.0	---	113.3	---		---	---	---
March				---	---	---	---	---	110.4	108.8	109.5	---	113.5	---		---	---	---
April				---	---	---	---	---	111.1	109.7	110.8	---	114.8	---		---	---	---
May				---	---	---	---	---	111.0	110.2	110.8	---	115.0	---		---	---	---
June				---	---	---	---	---	110.7	110.4	111.2	---	115.7	---		---	---	---
July				---	---	---	---	---	111.0	110.7	111.9	---	116.3	---		---	---	---
August				---	---	---	---	---	111.4	111.8	113.1	---	116.7	---		---	---	---
September				---	---	---	---	---	111.2	112.6	113.3	---	117.7	---		---	---	---
October				---	---	---	---	---	111.6	111.3	115.4	---	117.9	---		---	---	---
November				---	---	---	---	---	112.3	111.2	118.2	---	117.9	---		---	---	---
December				---	---	---	---	---	112.5	111.0	117.3	---	118.2	---		---	---	---
1971																		
January	117.4	114.6	109.0	---	---	---	---	---	113.0	111.0	119.2	---	118.1	---	111.5	---	---	---
February	97.3	116.2	113.4	---	---	---	---	---	112.8	111.4	118.9	---	118.7	---	113.2	---	---	---
March	98.8	122.0	112.0	---	---	---	---	---	116.3	112.0	118.7	---	120.0	---	114.3	---	---	---
April			113.6	---	---	---	---	---				---		---	114.3	---	---	---
May			112.4	---	---	---	---	---				---		---	115.0	---	---	---
June			114.3	---	---	---	---	---				---		---	114.1	---	---	---

[1] For earlier annual data (1957-59 reference base), see *Food Consumption, Prices and Expenditures,* Agricultural Economic Report No. 138, table 106. [2] Includes potatoes. [3] In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. [4] Includes alcoholic beverages. [5] Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. [6] All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. [7] Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages. [8] Data for some commodities not available at this time.

Bureau of Labor Statistics.

Table 18.—Retail food price indexes and Consumer Price Index, selected periods[1] (1967=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index less food	Consumer Price index
	Meats			Poultry[3]	Fish	Eggs	Dairy products[4]	Fats and oils[5]	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total				
	Beef and veal	Pork	Total[2]						Fresh	Processed	Total								
1957-59	88.4	87.1	87.9	112.5	82.1	113.1	85.7	93.9	80.5	91.6	85.1	84.4	87.2	100.9	89.0	77.1	86.8	85.6	86.1
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1966	99.4	109.0	102.6	106.7	96.7	119.6	95.8	99.7	99.7	100.6	100.1	97.7	97.0	100.9	100.3	95.1	99.1	96.7	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.7	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	104.7	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
January	116.9	118.1	116.8	111.9	112.5	161.8	110.0	99.8	114.2	107.2	111.4	105.9	111.7	110.1	112.7	116.2	113.5	113.3	113.3
February	117.6	119.5	117.7	111.5	113.5	159.5	110.4	100.3	116.3	107.4	112.7	106.6	112.1	111.7	113.4	116.9	114.1	113.9	113.9
March	118.1	120.1	118.4	110.1	114.8	138.7	110.9	100.8	117.2	107.4	113.3	107.2	113.1	113.4	113.4	117.6	114.2	114.6	114.5
April	120.7	118.4	119.2	109.2	115.8	117.2	111.0	102.6	119.1	108.1	114.6	107.7	113.8	115.0	113.4	118.8	114.6	115.4	115.2
May	120.2	117.4	118.6	109.2	116.8	110.5	111.3	104.6	121.9	108.3	116.4	108.0	114.9	116.2	113.8	119.4	114.9	116.0	115.7
June	119.6	117.1	118.2	109.6	117.6	104.0	111.6	105.1	125.4	108.6	118.6	108.2	115.3	117.6	114.0	119.8	115.2	116.5	116.3
July	120.8	117.5	118.8	109.7	117.7	119.1	111.9	105.7	122.4	109.1	117.0	108.7	115.7	118.8	114.6	120.5	115.8	117.0	116.7
August	121.3	118.4	119.3	107.5	118.6	116.7	112.1	106.1	118.7	109.2	114.9	109.8	116.1	119.5	114.5	121.0	115.9	117.2	116.9
September	121.0	116.5	118.4	105.5	119.9	126.8	112.5	106.4	112.5	110.0	111.5	110.2	116.5	120.5	114.2	121.5	115.7	118.0	117.5
October	120.6	113.2	117.1	105.4	121.4	120.2	113.1	107.3	109.7	110.7	110.0	111.0	116.8	121.4	113.8	121.9	115.5	118.9	118.1
November	119.3	108.8	115.1	103.3	122.8	112.1	113.5	108.3	108.0	111.4	109.4	111.2	117.2	121.9	113.0	122.5	114.9	119.6	118.5
December	118.4	105.1	113.4	107.9	124.4	119.5	113.6	109.9	109.4	112.2	110.6	111.6	117.8	121.8	113.4	122.8	115.3	120.2	119.1
1971																			
January	118.5	103.6	112.9	106.3	125.4	124.0	113.9	111.3	107.4	112.8	109.6	112.4	117.8	121.9	113.4	123.4	115.5	120.3	119.2
February	120.0	103.2	113.5	105.5	127.0	112.7	114.0	112.1	112.2	113.0	112.6	112.8	117.9	122.1	113.9	123.9	115.9	120.4	119.4
March	122.4	106.0	115.6	107.8	127.7	110.9	114.2	112.4	117.7	113.5	116.0	113.0	118.1	121.8	115.1	124.3	117.0	120.6	119.8
April	124.2	103.6	115.7	107.3	128.6	109.7	114.6	113.6	123.6	114.7	120.0	113.9	118.7	122.0	116.1	124.8	117.8	120.9	120.2
May	124.6	102.2	115.6	107.8	129.4	106.1	115.1	113.9	125.6	115.1	121.4	114.1	119.0	121.8	116.3	125.3	118.2	121.6	120.8
June	126.1	103.6	117.0	111.6	130.3	99.1	115.7	113.8	131.2	115.9	125.1	114.2	119.4	122.2	117.4	125.9	119.2	122.2	121.5
	Seasonally adjusted																		
1970																			
January	117.6	119.4	117.6	115.3	112.1	148.6	109.8	—	115.5	—	112.1	—	—	—	112.7	—	113.5	—	—
February	118.3	120.5	118.4	111.7	113.2	146.3	110.4	—	117.6	—	113.4	—	—	—	113.5	—	114.3	—	—
March	118.7	121.2	119.2	109.0	114.7	139.4	111.1	—	116.7	—	113.1	—	—	—	113.6	—	114.4	—	—
April	121.7	120.7	120.0	106.1	115.7	118.5	111.6	—	117.6	—	113.7	—	—	—	113.7	—	114.9	—	—
May	120.2	120.4	119.4	108.2	116.6	124.9	111.5	—	117.4	—	113.8	—	—	—	114.1	—	115.1	—	—
June	119.5	117.1	118.2	107.9	117.5	121.4	111.6	—	118.9	—	114.9	—	—	—	113.7	—	115.0	—	—
July	120.0	115.0	117.6	106.3	117.9	134.6	112.0	—	113.8	—	112.1	—	—	—	113.7	—	115.1	—	—
August	119.7	114.5	117.3	103.8	118.8	116.5	112.1	—	116.0	—	113.2	—	—	—	113.6	—	115.1	—	—
September	119.4	113.0	116.5	101.4	120.3	120.1	112.4	—	116.9	—	114.1	—	—	—	113.9	—	115.5	—	—
October	120.0	111.3	116.2	104.8	121.6	111.6	112.8	—	116.5	—	114.1	—	—	—	113.8	—	115.5	—	—
November	119.7	109.9	115.7	103.4	123.2	112.8	113.3	—	114.2	—	113.0	—	—	—	113.9	—	115.6	—	—
December	119.8	107.2	114.8	110.9	124.3	110.5	113.3	—	113.7	—	112.9	—	—	—	113.7	—	115.5	—	—
1971																			
January	119.2	104.8	113.7	108.4	124.9	113.9	113.7	—	108.6	—	110.3	—	—	—	113.4	—	115.5	—	—
February	120.7	104.0	114.2	104.5	126.6	103.4	114.0	—	113.4	—	113.3	—	—	—	114.0	—	116.1	—	—
March	123.0	107.0	116.4	107.1	127.6	111.5	114.4	—	117.2	—	115.8	—	—	—	115.3	—	117.2	—	—
April	125.2	105.6	116.5	105.7	128.5	110.9	115.2	—	122.0	—	119.0	—	—	—	116.4	—	118.2	—	—
May	124.6	104.8	116.4	107.7	129.1	119.9	115.3	—	121.0	—	118.7	—	—	—	116.6	—	118.4	—	—
June	126.0	103.6	117.0	111.4	130.2	115.6	115.7	—	124.4	—	121.2	—	—	—	117.0	—	119.0	—	—

[1] For earlier annual data (1957-59 reference base), see *Food Consumption, Prices, and Expenditures,* Agricultural Economic Report No. 138, July 1968. [2] Beef, veal, lamb and mutton, pork, and processed meat. [3] Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. [4] Includes butter. [5] Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI.

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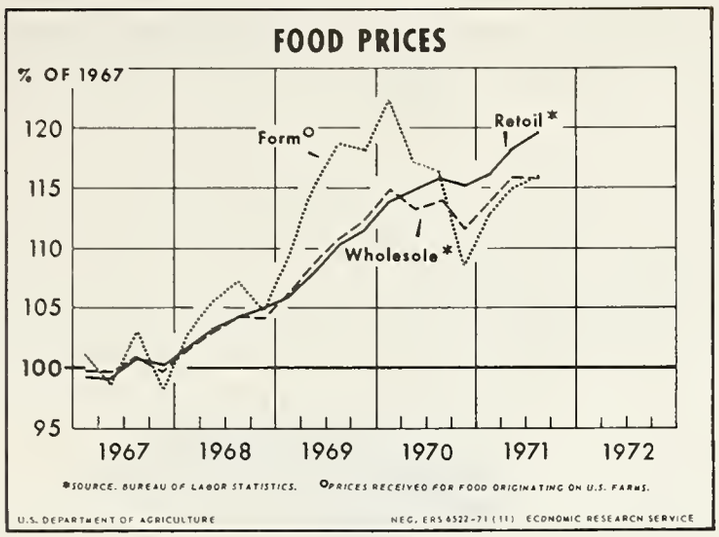
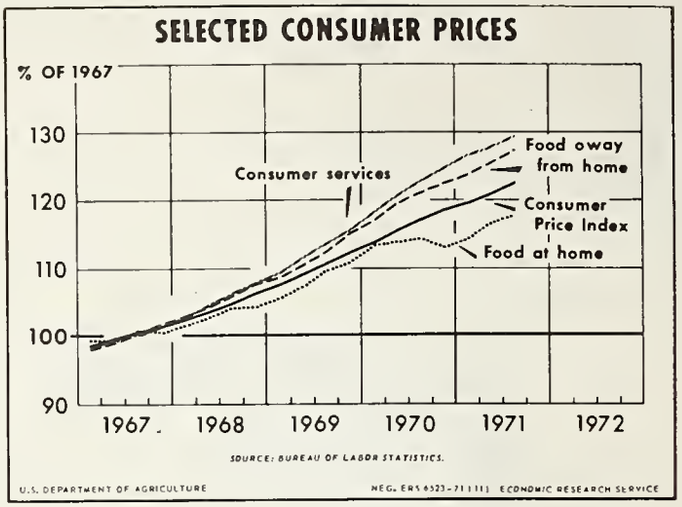


Figure 1



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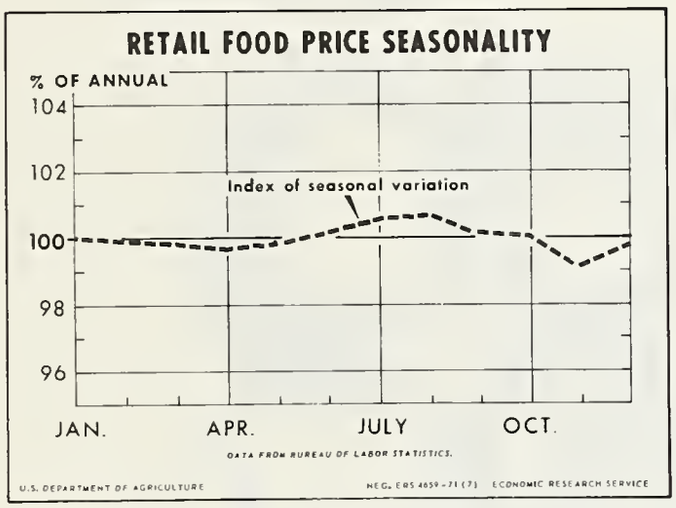

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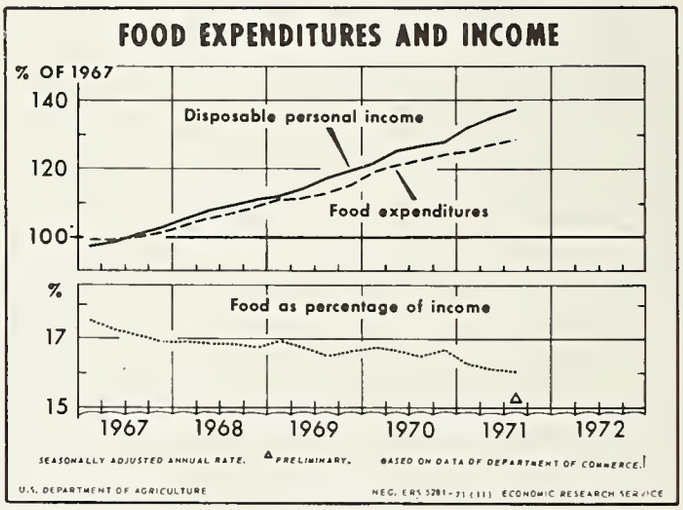

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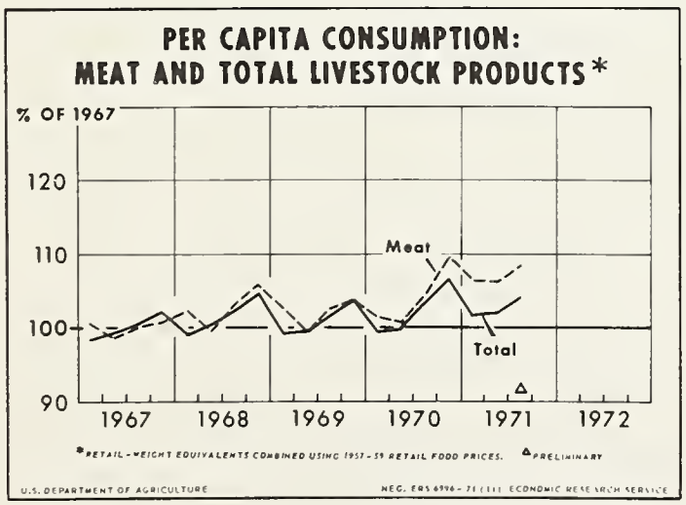

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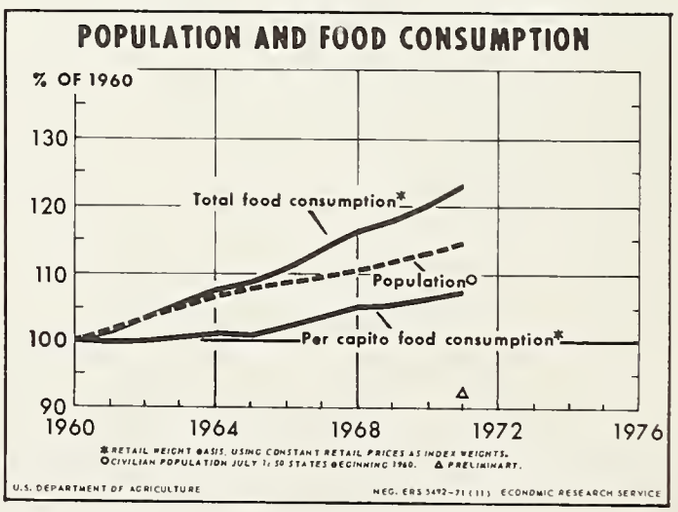

Figure 6

NATIONAL FOOD SITUATION

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SUMMARY

Seasonally heavy supplies of pork, fresh fruits and vegetables, and eggs together with the announcement of the wage-price freeze on August 15 have curtailed the sharp rise in food prices which occurred during the first 7 months of 1971. Prices probably will remain steady to slightly lower during much of the fourth quarter, but still higher than in the same period last year. For all of 1971, food prices in grocery stores may average 2-1/2 percent above 1970. Food away from home likely will be up 5 percent and the all-food index up about 3 percent.

Looking ahead to the first half of 1972, food prices in grocery stores likely will increase from current levels with pork, fresh fruits and vegetables, and eggs leading the way in response to smaller prospective supplies. Fresh fruits and vegetables and eggs are exempt from the freeze, and pork prices currently are far below the legal ceiling of May 25, 1970. Increases in prices of other foods will depend largely on the guidelines in Phase II and the reactions of consumers and marketing firms to them. Prices of food away from home probably will continue up, though they may slow a little from the rate for the first 3 quarters of the year.

Phase I of the wage-price freeze was scheduled to end on November 14, and the operating rules in Phase II are still being worked out, so the price outlook is uncertain. Prices of some food products are likely to rise if regulations permit, especially for products whose prices were subject to upward pressure at the time of the freeze.

Prices of food at home averaged less than 1 percent higher in the third quarter than in the second quarter, and most of the increase was seasonal. Prices were nearly 3 percent higher than in the same quarter of 1970. But this was considerably less than the 4.4 percent increase in the total Consumer Price Index and the 5 percent increase for meals and snacks eaten away from home.

Meat products accounted for much of the quarter-to-quarter increase in food store prices but fish, poultry, fats and oils, and processed fruits and vegetables also contributed significantly. Pork, eggs, and potatoes showed year-to-year decreases in the third quarter. Most other groups were up 4 percent or more with fish the leader at 11 percent.

Personal expenditures for food increased less than 1 percent in the third quarter. However, the $120.6 billion rate (seasonally adjusted) was well above the $114.3 billion a year earlier. Food purchases for use at home

were 6 percent higher than a year ago, but food away from home was up only 3 percent. The latter failed to keep pace with the 5 percent increase in the prices of meals and snacks. Disposable income increased 1-1/2 percent in the third quarter, far more than the food expenditure increase. As a result, the share of the Nation's income going for personal expenditures for food moved slightly lower to 16.1 percent.

The continued rapid expansion in income, large USDA food programs, and higher prices of food all point to larger food expenditures through mid-1972. However, a small slowdown in the rise in total food consumption may keep the rate of gain below that in the first half of 1971.

The value of bonus stamps issued under the Food Stamp Program in July and August was 40 percent higher than a year ago. However, the value has edged down slightly since March. Participation of 10.6 million persons in July and August was 50 percent higher than a year ago. However, the average value of stamps per person was down slightly.

USDA food donations to needy families, schools, and institutions were higher in 1970 than in 1969. On a per capita basis they increased about as fast as the increase in per capita food consumption for the entire civilian population. They continued to account for about 1 percent of total consumption.

Per capita food consumption this year may average 1 percent higher than in 1970 with both livestock and crops contributing to the increase. On the plus side are meat, eggs, fruits, potatoes, and cereal products, while the losers are poultry, fish, vegetables, and coffee. In the first half of 1972 livestock consumption per capita likely will decline from fourth quarter and year-earlier levels partly because of seasonal influences and cyclically reduced supplies of pork, eggs, and dairy products. However, poultry meat may be on the upswing.

Annual utilization of farm food commodities in 1971 may total 1 percent over the previous year. Civilian food use is up over 2.5 percent, while military procurement may drop 8 percent. Food commodity exports ran substantially above a year ago for the first 3 quarters of 1971 but probably will slip during the fourth quarter. Imports for 1971 probably will be higher. Production of food commodities including crops used in livestock production could run as much as 10 percent above the 1970 level, largely because of the unexpected surge in corn output following last year's blight-damaged crop. Production of wheat, grain sorghums, soybeans, and peanuts may also set new records. Pork production also is up sharply in 1971. The large gain in food production and somewhat smaller gain in imports in the face of a modest rise in utilization implies a boost in stocks of food commodities to record levels at the end of 1971.

FOOD PRICES

Retail Prices

In September, the first full month after the wage-price freeze when into effect, food prices declined 0.8 percent, a third more than the normal seasonal drop (table 27). Prices of food at home went down 1.0 percent, but prices of food away from home went up 0.4 percent. Nonfood commodities and services also rose 0.4 percent. Food prices in September were less than 3 percent higher than a year ago, while nonfood items were up 4.5 percent.

The September decrease halted the steep rise in prices of food at home that persisted between November 1970 and July 1971 (fig. 7). If the forecast of a decline through November is realized, it would mean a modest increase for the year, perhaps 2.5 percent.

Restrained by both the wage-price freeze and favorable supply conditions, retail food prices in the third quarter rose 1 percent over the second quarter; more than half of the rise was seasonal (table 1). Prices of food away from home advanced by 1.4 percent and food at home prices were less than 1 percent higher.

The wage-price freeze came at an opportune time as far as food products are concerned. Not only were seasonally heavy supplies of pork, fruits and vegetables, and eggs coming on stream, but supplies of many of these items were larger than usual. Most items in these

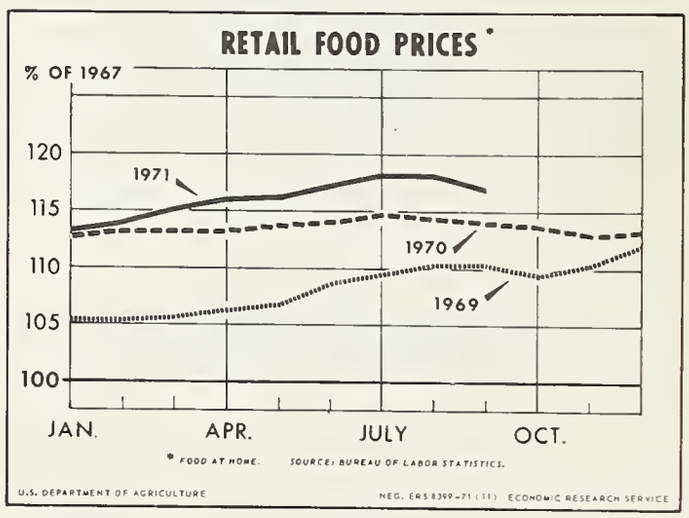

Figure 7

groups were exempt or their prices were below the legal ceilings and had the potential of pushing the food price index higher despite the freeze. Thus the larger supplies were instrumental in limiting price increases.

Seasonally higher prices for foods derived from livestock accounted for a large part of the quarter-to-quarter increase. Meat prices rose almost 2 percent due to seasonal factors. Higher prices for beef and veal were offset by a less than seasonal increase for

Table 1.—Consumer, wholesale, and farm price indexes, 1970-71
(1967=100)

Item	1970					1971			
								III	
	I	II	III	IV	Year	I	II	Index	Percent change from 1970 III
Retail prices:[1]									
All goods and services (CPI)	113.9	115.7	117.0	118.6	116.3	119.5	120.8	122.1	4.4
All items less food	113.9	116.0	117.4	119.6	116.7	120.4	121.6	122.9	4.7
All food	113.9	114.9	115.8	115.2	114.9	116.1	118.4	119.6	3.3
Food at home	113.2	113.7	114.4	113.4	113.7	114.1	116.6	117.7	2.9
Food away from home	116.9	119.3	121.0	122.4	119.9	123.9	125.3	127.1	5.0
Wholesale prices:[1]									
All commodities	109.6	110.1	110.8	111.0	110.4	112.5	113.8	114.7	3.5
Industrial commodities	108.6	109.6	110.2	111.4	110.0	112.5	113.6	114.9	4.3
Farm products	113.8	111.5	111.3	107.3	111.0	111.9	114.3	112.4	1.0
Processed food	113.3	113.4	114.3	112.0	113.2	113.7	115.4	116.9	2.3
All food[2]	114.9	113.4	114.0	111.7	113.5	113.9	115.9	115.8	1.6
Prices received by farmers:[3]									
Crops	97	99	102	101	100	105	111	108	5.9
Livestock and products	126	118	117	110	118	114	114	116	-.9
Average	114	110	110	106	110	110	112	112	1.8
Market basket of U.S. farm foods:[4]									
Retail cost	113.4	113.4	114.2	112.3	113.4	112.7	115.2	116.6	2.1
Farm-retail spread	107.7	111.2	112.7	114.6	111.8	112.8	115.3	117.0	3.8
Farm value	122.4	117.1	116.5	108.6	116.0	112.5	115.0	116.0	-.4

[1] Department of Labor, Bureau of Labor Statistics. [2] All food includes all processed foods plus eggs and fresh and dried fruits and vegetables from the farm products group. [3] Statistical Reporting Service. [4] Economic Research Service

pork products. As a result of increased production, egg prices remained unchanged, but were 7 percent lower after seasonal adjustment, while fish prices rose almost 2 percent because of dwindling supplies.

Prices of foods derived from crops were up fractionally from the second quarter. Potato prices rose far less than the normal seasonal variation, but fresh fruits and vegetables declined at the usual seasonal rate. In September, fresh vegetable prices fell more than 10 percent. Carrot and tomato prices dropped most. Processed fruits and vegetables were up in September primarily because of higher prices for orange juice concentrate and dried beans. Beverages and cereal and bakery prices rose only fractionally.

Wholesale Food Prices Decline

Wholesale prices of several food groups were noticeably restricted by the price freeze, while there were significant declines for others. The index for consumer foods, which measures prices of foods ready for purchase by the retailer, declined 1 percent in September after seasonal adjustment. Industrial commodities, on the other hand, advanced 1 percent and stood 4.3 percent higher than a year earlier as opposed to the consumer foods index which was 1.4 percent higher.

Third quarter average wholesale prices also were down from the second quarter. Contributing to the decline were major decreases for fresh and dried fruits

Changes in retail food prices, third quarter, 1971

Item	From second quarter 1971	From third quarter 1970
	Percent	Percent
Meat	1.9	-0.4
Poultry	2.9	4.2
Fish	1.9	11.0
Dairy products	.8	3.4
Eggs	.8	-12.5
Fats and oils	1.3	8.7
Fruits and vegetables	-.1	6.6
Sugar and sweets	.9	3.4
Cereal and bakery products	.4	4.6
Beverages	-.2	1.8
Other preparations	.7	3.3
Food at home	.9	2.9
Food away from home	1.4	5.0
All food	1.0	3.3

and vegetables and eggs. Dairy and cereal and bakery products groups fell fractionally. Fish and vegetable oil products rose about 4 percent. Meat prices were up almost 2 percent, mostly reflecting a seasonal increase in pork prices. Beef and veal prices were down more than 1 percent.

Farm Prices and Marketing Charges

Prices of farm products used for food were up almost 1 percent from the second to the third quarter, but they were slightly lower than in the third quarter a year earlier. With retail prices rising faster than farm prices, the farm-retail spread increased 1½ percent in the third quarter and was nearly 4 percent higher than in the same quarter of 1970. Marketing charges for nearly every major group were higher this year than last. The smallest changes occurred for poultry, meat, and fats and oils products.

Prospects

The food price situation for 1971 has been re-examined in the light of the wage-price freeze, and earlier estimates have been revised downward. Retail prices, including food at home and away, should average around 3 percent above last year. Prices in the fourth quarter may decline from third quarter levels, but perhaps less than usual at this time of year. Prices of food at home may average about 2½ percent above last year, while prices of food away from home likely will rise about 5 percent, a moderate increase in comparison to recent years.

Lower prices of food derived from livestock, as well as the constraints of the wage-price freeze, should contribute to the fourth quarter decline in food-at-home prices. Beef supplies are holding steady while pork supplies will increase seasonally although lower than the fourth quarter of 1970. Lower catch of domestically produced edible fish and lower imports, partly as a result of the dock strike, will lower fish supplies. With demand on the rise, fish prices should advance more than seasonally in the fourth quarter. Broiler prices probably will continue above a year ago. Egg prices are expected to rise seasonally in the last quarter.

Prices of foods derived from crops likely will fall seasonally in the fourth quarter, but will be 4 to 5 percent higher than a year ago. As both deciduous and citrus fruit supplies are plentiful, fresh fruit prices will fall in the fourth quarter, but still be over 4 percent higher than in 1970. With fresh vegetable supplies shorter, prices will likely hold moderately higher than a year earlier. Canned and frozen vegetable supplies appear slightly smaller than a year ago, but with controls in effect at least through mid-November, prices may increase little if any in the fourth quarter. For the year, processed fruit and vegetable prices may average about 6½ percent over 1970. Fats and oils prices should average about 9 percent higher.

In the first half of 1972, prices of fresh fruits and vegetables, eggs, and pork may increase as supplies shorten. With higher prices in prospect for these items and little likelihood for declines among prices of other items, the overall price index for food probably will rise. The increase could be as large as the 1971 first-half increase of 2 percent but it likely will be distributed differently among commodities.

The large corn crop in 1971 will not lead to any immediate reductions in food prices. However, its effects could be evident later in 1972 if feed prices remain at relatively low levels and stimulate increased production of livestock products.

Farm prices of food commodities may hold steady in the fourth quarter with an increase for dairy products about offsetting a decline for meat animals. In the first quarter of next year, farm prices may rise at least as much as the usual seasonal increase. Then average prices may not change much through midyear, though they will continue above a year earlier. Prospective increases in farm prices and wages could squeeze profit margins for some firms if price ceilings are maintained at current levels. However, if some exceptions are allowed, the margins may rise, but the amount depends on the restraints imposed by Phase II of the new economic package.

Pork Prices

Pork prices may begin rising late this year after the more or less steady downtrend over the past 18 months. Although retail pork prices in September were almost 10 percent lower than a year ago, they dropped almost seasonally from August. They probably will continue below those of a year ago through the fourth quarter. The wage-price ceiling will not affect pork prices in the near future since they are nearly 10 percent below the prevailing price on May 25, 1970.

The sharp change in supply has been a major factor for the slide in prices. Hog slaughter during the first half of 1971 was 20 percent higher than in 1970. The increment fell by half during the summer, and fall slaughter is expected to total 2 to 4 percent lower than year-earlier levels. Moreover, Corn Belt producers plan to have 11 percent fewer sows farrow during December 1971-February 1972 than in the same season a year ago, which would lead to smaller pork supplies next summer.

The large increase in the number of pigs raised during 1970 occurred at the same time that feed costs were rising. The hog-corn price ratio—a partial measure of profitability—fell as low as 10.7 compared with a 10-year average of about 16.5. Lately, however, the price of corn has moved down, and the hog-corn ratio is now above the 10-year average. As a result, producers may take steps late next year to increase hog production.

The extremely wide marketing spread for pork late last year reflected a decline in the farm price of hogs without a corresponding decline in retail prices. Later,

marketing agencies cut their prices and the spread narrowed, but the third quarter margin was still about a fifth larger than in 1969. The spread may narrow further late this year, as the farm price of hogs turns upward and the retail price, though rising, lags a bit.

Wage-Price Freeze

The wage-price freeze, announced on August 15, imposed a general ceiling on wages and prices. The price ceiling was the higher of May 25, 1970 or the 30-day period ended August 14, 1971. The ceiling applied to prices at both wholesale and retail levels, but raw farm products and foods sold at retail without processing were exempt. Eggs and fresh fruits and vegetables were the main foods affected by the exemption. These items accounted for 13 percent of the food-at-home component of the Consumer Price Index. Items which were below the ceiling included most pork items, frankfurters, and turkey. These amounted to an additional 10 percent of the food-at-home index.

The freeze was scheduled to end on November 14, and the operating rules in Phase II are still being worked out, so the outlook is uncertain. Prices of some food products are likely to rise if regulations permit, especially for products whose prices were subject to upward pressure at the time of the freeze. It appears that the imposition of ceilings was generally successful in slowing down price rises. Most items whose prices had been rising steadily showed very small increases or no change in September.

The President also announced the 10 percent surcharge on imports in August. However, its effect on food prices is expected to be minimal because 80 percent of the food imports are exempt. Coffee, cocoa, sugar, and most meat imports make up more than half of our food imports. These items are all exempt. About half of the fish imports are subject to the surcharge so there could be a significant impact on retail fish prices.

FOOD SPENDING AND INCOME

The rise in food spending slowed in the third quarter, increasing less than 1 percent to a total of $120.6 billion (seasonally adjusted, annual rate). This was much smaller than the second quarter increase of $2.7 billion. However, food expenditures remain well above levels of a year ago.

Compared with the same time a year ago expenditures for food at home were 6 percent higher, while expenditures for food away from home went up about 3 percent. The slower rise for food eaten away from home is due in part to the slowdown in real income increase and sharply rising prices in recent years. For all

Table 2.—Expenditures for food in relation to disposable income, 1960 and 1965-71[1]

Year	Disposable personal income	Personal consumption expenditures for food[2]					
		For use at home[3]		Away from home[4]		Total	
		Amount	Percentage of income	Amount	Percentage of income	Amount	Percentage of income
	Billion dollars	*Billion dollars*	*Percent*	*Billion dollars*	*Percent*	*Billion dollars*	*Percent*
1960	350.0	56.8	16.2	13.3	3.8	70.1	20.0
1965	473.2	69.3	14.6	16.5	3.5	85.8	18.1
1966	511.9	73.8	14.4	18.2	3.6	92.0	18.0
1967	546.3	74.5	13.6	19.4	3.6	93.9	17.2
1968	591.0	79.0	13.4	20.7	3.5	99.7	16.9
1969	634.2	84.2	13.3	21.9	3.4	106.1	16.7
1970	687.8	90.6	13.2	23.4	3.4	114.0	16.6
I	667.6	89.0	13.3	22.8	3.4	111.8	16.7
II	685.7	90.2	13.2	23.4	3.4	113.7	16.6
III	696.2	90.8	13.0	23.5	3.4	114.3	16.4
IV	701.5	92.5	13.2	23.9	3.4	116.4	16.6
1971							
I	721.6	93.8	13.0	23.4	3.2	117.2	16.2
II	740.8	95.8	13.0	24.0	3.2	119.8	16.2
III[5]	749.2	96.4	12.9	24.2	3.2	120.6	16.1

[1] Quarterly data are seasonally adjusted annual rates. [2] Derived from data of Department of Commerce, *Survey of Current Business* and *The National Income and Product Accounts of the United States, 1929-65*, assuming one-fourth of purchased meals and beverages is alcoholic beverages and the balance of reported alcoholic beverages is for off-premise use (consistent with 1963 *Census of Business* Merchandise Line Sales). Omits alcoholic beverages, food donated by Government agencies to schools and needy persons, and non-personal spending for food such as business purchases of meals, food furnished inmates of hospitals and institutions, and food included with transportation tickets and camp fees. [3] Includes food consumed on farms where produced. [4] Includes food served to the military and employees of hospitals, prisons, and food service establishments. [5] Preliminary.

of 1971 food expenditures likely will total around $120 billion, about 5½ percent higher than in 1970 (table 2, fig. 4).

Change in food expenditures, third quarter, 1971

Item	From second quarter 1971	From third quarter 1970
	Percent	Percent
Total Food		
Current dollars	0.7	5.5
1958 dollars	.1	2.5
Food at home		
Current dollars	.6	6.2
1958 dollars	.1	3.4
Food away from home		
Current dollars	1.0	3.2
1958 dollars	-.3	-1.7

Quarterly changes in personal expenditures and retail sales, 1971 (seasonally adjusted)

Item	I	II	III 1/
	---- Percent ----		
Total personal consumption expenditures	3.2	2.5	1.7
Durable goods	15.0	3.3	3.9
Nondurable goods	.4	2.9	.7
Food	.7	2.3	.7
Other	.2	3.4	.7
Services	2.3	2.0	1.9
Retail sales	4.1	4.0	3.6
Food stores	1.2	2.3	2.8

1/ Preliminary.

The quarterly increases in total personal consumption expenditures have been decreasing steadily since the first quarter when durable goods expenditures made an impressive 15 percent gain. Total personal consumption expenditures increased $11.2 billion in the third quarter after increasing $16.3 billion in the second quarter and $19.3 billion in the first quarter. Expenditures for durable goods were the only personal consumption expenditures which showed improvement in the third quarter rate, due mainly to a 9 percent increase in car sales.

Disposable personal income increased $8.5 billion to $749.2 billion, the smallest increase since the fourth quarter of 1970. Wages and salaries, the largest income component, slipped to a $6.4 billion increase after posting a gain of more than $10 billion in the second quarter. Increases of nearly $2 billion in farm income accounted for most of the remainder of the increase in disposable income. The other components increased little or not at all.

The percent of income spent for food declined fractionally from 16.2 percent in the first and second quarters to 16.1 percent in the third quarter.

The rate of personal savings decreased from 8.2 percent in the second quarter to 7.7 percent in the third, the lowest rate since the first quarter of 1969, but still relatively high. The decline in savings accounted for the larger increase in expenditures than in income.

Outlook

Recent boosts in transfer payments, primarily Social Security payments, and some further rise in Federal tax exemptions, as well as an easing in the present rate of unemployment, will help boost disposable personal income in 1972. These factors, along with the usual increases in population, should provide sufficient demand to keep food expenditures rising in 1972. However, the rate of increase will be substantially less than the 7½ percent increase in disposable income and the percent of income spent on food is likely to fall again.

Food Programs

Demand for food products continues to be enhanced by the USDA food programs. The value of bonus food stamps and the value of commodities distributed to families in the third quarter exceeded 1½ percent of consumer food expenditures. The total value of food distributed through the Food Distribution Program (including schools) and Child Nutrition Programs plus the value of bonus food stamps during the first half of 1971 was over 2 percent of consumer food expenditures.

Participation in the family food programs now totals 14 million persons. Participation in the Food Stamp Program advanced steadily through 1970 and the first quarter of 1971 to 10.6 million people in March (table 3). It remained near that level through August. Participation during the first 7 months of 1971 was

Table 3.--USDA family food programs: Participation and value by months, 1970 and 1971

Month	Participation		Value		
			Food stamps		
	Food stamps	Commodity donation	Total issued	Bonus stamps	Commodities 1/
	Millions	Millions	Million dollars	Million dollars	Million dollars
1970					
January	3.8	3.9	68.2	26.9	23.4
February	4.4	4.0	98.7	55.0	24.1
March	5.1	4.1	119.8	70.9	24.3
April	5.6	4.1	134.2	80.1	24.6
May	6.1	4.0	144.6	86.5	24.1
June	6.5	4.0	154.1	91.6	23.7
July	6.9	3.8	165.1	98.3	22.8
August	7.2	3.9	171.7	100 3	23.0
September	8.1	3.5	199.4	116.8	21.2
October	8.9	3.6	212.4	119.9	21.8
November	9.5	3.6	225.4	126.9	25.1
December	9.7	3.7	231.7	129.8	26.8
1971					
January	9.7	3.8	234.0	130.5	26.4
February	10.2	3.9	246.6	136.8	26.7
March	10.6	4.0	259.4	143.4	27.1
April	10.6	3.9	252.1	139.9	25.6
May	10.5	3.7	251.4	137.8	26.0
June 2/	10.6	3.6	254.6	139.5	25.8
July 2/	10.6	3.5	253.7	140.1	25.2
August 2/	10.6	3.5	255.0	142.5	25.0
September 2/	10.6	3.5	253.4	141.4	24.8

1/ Cost to the Federal Government.
2/ Preliminary.

nearly double the average for the same period a year earlier. Based on the expected stability during the remainder of the year, participation for the year should show an overall increase of 50 percent. Participation in the Food Distribution program has declined from 3.9 million in August 1970 to 3.5 million in August 1971 and probably will continue at about that level until the end of the year when some counties may switch to the Food Stamp Program.

The value of bonus stamps issued under the Food Stamp Program in July and August of 1971 was well above the level of the same period a year earlier. However, since March the value of bonus stamps has edged downward slightly. The average value of bonus stamps per person has also declined.

In July USDA revised its regulations for the Food Stamp Program in line with legislation passed in January. Among the changes were the establishment of uniform national income and resource eligibility standards, increased allotments for recipients to reflect price increases, and free stamps for the poorest. A new definition of household was instituted along with the requirement that recipients register for work. All households may elect at time of issuance to receive all, three-fourths, one-half or one-quarter of their monthly

Table 4.—Distribution of grocery store sales, by commodity groups, 1963, 1969, and 1970

Commodity group	Percentage of total store sales			Percentage of food sales		
	1963	1969	1970	1963	1969	1970
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Food:						
Meat, poultry, and fish	25.2	25.9	25.8	33.0	35.6	35.7
Meat	19.7	20.6	20.7	25.8	28.3	28.6
Poultry	3.8	3.7	3.5	5.0	5.1	4.9
Fish	1.7	1.6	1.6	2.2	2.2	2.2
Eggs	1.1	1.0	.9	1.5	1.3	1.2
Dairy products	7.7	6.7	6.6	10.1	9.2	9.1
Fruits and vegetables[1]	18.9	17.8	17.7	24.7	24.4	24.5
Fresh produce	10.1	10.0	10.1	13.2	13.7	14.0
Processed products	8.8	7.8	7.6	11.5	10.7	10.5
Cereal and bakery products	9.8	8.7	8.5	12.8	12.0	11.7
Nonalcoholic beverages	5.3	5.1	5.2	6.9	7.0	7.2
Other foods[2]	8.5	7.7	7.6	11.0	10.5	10.6
Total food	76.5	72.9	72.3	100.0	100.0	100.0

	Percentage of total store sales			Percentage of nonfood sales		
	1963	1969	1970	1963	1969	1970
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Nonfood:						
Alcoholic begerages	4.9	4.9	5.0	20.8	18.3	18.1
Pet food	.8	1.2	1.2	3.4	4.3	4.3
Tobacco	4.2	4.0	4.0	17.9	14.6	14.3
Health and beauty aids	3.0	3.4	3.6	12.8	12.6	13.1
Soaps and laundry supplies	2.7	2.5	2.4	11.5	9.1	8.6
Paper products and foil	1.6	1.7	1.7	6.8	6.4	6.3
Housewares and household supplies[3]	2.0	2.1	2.1	8.6	7.8	7.6
Magazines, books, records	.3	.3	.3	1.2	1.0	1.0
Other nonfoods	4.0	7.0	7.4	17.0	25.9	26.7
Total nonfoods	23.5	27.1	27.7	100.0	100.0	100.0
Total, all items	100.0	100.0	100.0	---	---	---
Value, all items (billion dollars)	$53.9	$73.2	$78.7	---	---	---

[1] Including potatoes, sweetpotatoes, and melons. [2] Includes frozen prepared foods; baking needs; candy and chewing gum; desserts; food fats and dressing; jams, jellies, and preserves; sugars and other sweeteners; and other foods. [3] Includes cooking, kitchen aids, and serving utensils, glassware, and such items as pesticides, waxes, mops, brooms, lightbulbs and deodorizers.

Derived from annual survey of gocery stores by *Supermarketing* (formerly *Food Topics*), (C-M Food Industry Puclications, Inc., New York).

food stamp allotment, with their payment adjusted accordingly.

The School Lunch Program fed over 24 million children during the first half of 1971, a 9 percent increase in participation over the first half of 1970. Over 7 million were fed free or at reduced prices. Over 800,000 children participated in the School Breakfast Program during the first half of 1971.

The Special Food Service Program, now entering its fourth year, was designed to provide children nutritious meals in nonschool service institutions. Over a million children participated at playgrounds and recreational centers during July and August 1971, about twice as many as participated the previous summer. An additional 150,000 were fed at year-round day care centers.

Grocery Store Sales

Food sales in grocery stores rose 6½ percent in 1970 to $56.9 billion, according to the annual Survey by Conover Mast Publications[1]. This compares with 5 percent increases in the 2 preceding years. Price rises accounted for three-fourths of the sales increase, however, implying volume moved up about 1½ percent.

Among foods, sales gains in 1970 were largest for fish and beverages (each up 10 percent), fresh produce (up 9 percent) and meat (up 8 percent). Increases of 4 to 5 percent were registered for dairy products, processed fruits and vegetables, and cereal and bakery products. Price increases exceeded the sales rise for beverages and for cereal and bakery products and accounted for nearly all of the fish and dairy product gains and half the increase for fruits and vegetables (both fresh and processed). Sales of poultry and eggs, with prices averaging lower, edged up 2 and 1 percent respectively.

Nonfood sales, including alcoholic beverages, resumed a rising share of the grocery store dollar, following a pause in 1969. They increased 10 percent, to $21.8 billion. This compares with a reported 3 percent gain in 1969.

Health and beauty aide sales, with a 14 percent advance, led the rise for nonfoods. Such items as shampoos, disposable diapers, and first aid kits were among the leaders. The miscellaneous items which make up the "other nonfood" group posted a 13 percent sales increase, including a 27 percent gain for photo film, processing, and flash bulbs. Soaps and laundry supplies had the least increase of the major groups, 4½ percent. The others registered gains of 7 to 9 percent.

With acceleration in both food and nonfood departments, total grocery store sales increased 7½ percent to $78.7 billion. Chain store sales increased 9 percent in 1970, more than in 1969 but less than the record 11½ percent advance in 1968.

Changes since 1963

The 46 percent increase in grocery store sales since 1963 has been accompanied by a substantial shift in the relative importance among product groups (table 4). The most significant change was the increase of nonfoods from 24 to 28 percent while food declined from 76 to 72 percent of total sales. Among foods, meat became more important, while dairy products, cereal and bakery products, and processed fruits and vegetables declined significantly. In the nonfood categories "other nonfoods" was the big gainer while tobacco, alcoholic beverages, soaps, and household supplies failed to keep pace with the nonfoods group.

PER CAPITA FOOD CONSUMPTION

Food consumption has climbed 1 percent this year to another record, reflecting substantial increases in consumption of meat and fruit (table 5). Relatively small consumption increases for potatoes, vegetable oils, cereal products, eggs, and the beans, peas, nuts group have been about balanced by declines for poultry, vegetables, coffee, fish, animal fats, and melons.

Most of the estimated 4 percent rise in red meat consumption is accounted for by pork; beef consumption was unchanged. Further declines for veal and lamb have about offset an increase for edible offal. Small declines for chicken and fish have counteracted the pork increase to some extent and held the meat, poultry, and fish group to a 2 percent gain. Fish consumption has declined this year, but is still above the 1969 level.

Most categories of fruits have shown consumption gains in 1971. Canned citrus juice and dried fruit have made major gains. Consumption of fresh citrus is nearly 2½ percent higher. Frozen orange juice concentrate increased slightly to a record level.

A small decline for fresh vegetables combined with a steady rate for processed items has pulled per capita vegetable consumption down 1 percent in 1971. But another sharp increase for processed potato products has accounted for a 2 percent increase in the potato and sweetpotato group. In recent years, per capita consumption of processed potatoes has increased faster than any other major food.

Livestock Products

In the Juiy-September quarter, consumption of livestock products was 1 percent above that in the same period a year earlier (table 6, figure 5). The increase was largely in meat (up 4 percent) though egg consumption also rose somewhat. Poultry consumption was running below the level a year earlier and dairy products somewhat lower.

[1] Published in Supermarketing, September 1971.

Table 5.—Per capita food consumption index, 1960-71[1]
1967=100

Years	Meat	Poultry	Fish	Eggs	Dairy products[2]	Fats and oils			Fruits[3]		
						Animal[2]	Vegetable	Total	Fresh	Processed	Total
1960	92	75	95	104	106	123	81	96	111	95	103
1961	92	82	99	101	104	125	78	95	107	92	99
1962	93	81	98	101	105	123	81	96	102	96	99
1963	96	82	99	98	104	119	85	97	93	88	90
1964	98	84	97	98	104	116	90	99	98	85	91
1965	94	89	101	97	103	111	92	99	100	90	95
1966	96	96	100	97	102	99	102	101	100	90	95
1967	100	100	100	100	100	100	100	100	100	100	100
1968	103	99	102	99	101	103	104	103	98	97	97
1969	102	103	102	98	100	95	110	105	98	102	100
1970	104	108	105	98	99	91	116	107	101	102	101
1971[4]	108	106	103	99	99	89	117	107	103	106	104

Years	Vegetables[5]			Potatoes and sweetpotatoes		Cereal products	Sugar and sweeteners	Coffee, tea, and cocoa	All food		
	Fresh	Processed	Total	Fresh	Processed				Animal products	Crop[6]	Total
1960	107	84	99	129	56	103	98	100	95.7	97.1	96.4
1961	104	85	98	127	59	102	98	102	95.8	96.4	96.0
1962	102	89	97	121	64	101	99	102	96.2	96.5	96.3
1963	101	89	97	124	69	100	99	105	97.3	95.9	96.6
1964	100	91	97	113	76	101	99	102	98.8	96.4	97.6
1965	100	95	98	105	86	101	99	99	96.9	97.6	97.2
1966	98	97	98	106	98	99	100	99	98.1	98.6	98.3
1967	100	100	100	100	100	100	100	100	100.0	100.0	100.0
1968	99	104	100	101	106	101	103	100	101.5	101.1	101.2
1969	99	104	101	94	118	101	104	97	101.2	102.0	101.5
1970	99	105	101	93	121	98	106	94	102.3	102.9	102.5
1971[4]	98	105	100	92	126	99	106	93	103.6	103.4	103.5

[1] Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. Data for earlier years are given in *National Food Situation*, NFS-135 (February 1971), table 4, pp. 10,11. [2] Includes butter. [3] Excludes melons and baby food. [4] Preliminary. [5] Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. [6] Includes melons, dry beans and peas, nuts, soup, and baby food in addition to groups shown separately.

Consumption of all major livestock groups increased from the second to the third quarter, but the 2½ percent increase for total livestock products was mostly seasonal. After seasonal adjustment, egg consumption held steady, poultry declined, and meat and dairy products increased.

Per capita consumption indexes, seasonally adjusted

Period	Total livestock	Meat
	1967=100	
1970 I	101.1	101.3
II	100.9	102.9
III	102.8	104.7
IV	103.8	107.9
1971 I	103.6	106.0
II	103.1	108.3
III	104.2	109.0

Outlook

Per capita consumption of livestock products may increase further in the fourth quarter of 1971, but perhaps less than seasonally expected. Consumption of eggs may be near the high levels of a year earlier, while meat and poultry may be down a little and dairy products are likely to be above a year ago for the first time since the first quarter of 1971.

In the first half of 1972 consumption of livestock products may decline more than seasonally to levels slightly under a year earlier because of a cutback in hog supplies. More beef and a smaller than seasonal decline in poultry meat are in prospect, but these will not overcome the smaller pork consumption. Egg consumption is expected to average less than in the first half of 1971.

Meat.—Red meat consumption this year will likely run about 6 pounds above the 186 pounds (carcass weight) consumed per person in 1970. Pork has accounted for all of the increase. Beef consumption will remain unchanged while consumption of veal and lamb and mutton will be down again (table 7).

Consumption this fall will about equal the rate for October-December 1970. Beef consumption may be higher, but pork likely will not match the high rate in late 1970. Beef consumption since mid year has been

Table 6.—Livestock products: Per capita consumption indexes, quarterly, 1966-71[1]

(1967=100)

Year and quarter	Meat	Poultry	Eggs	Dairy products		Animal fats including butter	Total livestock products[2]
				Excluding butter	Including butter		
1966 I	92.5	75.6	97.4	103.7	104.4	106.7	94.9
II	94,6	87.9	94.5	103.4	103.2	95.5	96.5
III	97.0	102.1	95.5	102.2	101.2	93.3	98.8
IV	100.1	117.0	100.8	99.2	99.7	102.5	101.7
1967 I	100.5	80.8	100.1	99.9	100.4	103.6	98.4
II	98.6	94.0	97.2	103.4	102.8	93.6	99.3
III	100.0	104.9	99.1	99.6	99.1	97.2	100.2
IV	100.7	120.1	103.4	97.1	97.7	105.7	102.0
1968 I	102.2	84.5	102.5	97.8	98.4	106.1	99.1
II	99.7	91.4	97.6	104.4	104.2	99.3	100.2
III	103.1	102.6	96.6	102.3	101.7	97.2	102.1
IV	105.9	116.8	99.6	99.5	100.0	107.5	104.7
1969 I	102.9	85.2	99.4	98.2	98.7	100.7	99.3
II	99.5	97.3	97.0	102.8	102.2	88.1	99.7
III	102.7	106.9	96.9	100.6	100.1	95.6	101.9
IV	103.7	123.5	99.1	99.2	99.2	95.2	103.8
1970 I	101.5	91.8	98.7	98.6	98.7	98.1	99.3
II	100.8	101.1	96.3	100.3	99.4	83.7	99.8
III	104.8	113.0	97.3	100.1	99.7	86.1	103.1
IV	109.7	124.5	101.1	97.7	97.8	95.8	106.5
1971[3] I	106.2	91.9	99.8	98.8	98.9	96.2	101.7
II	106.1	99.7	97.5	99.2	98.4	82.4	102.0
III	109.1	107.9	97.8	99.6	98.7	84.3	104.5
IV	108.4	123.5	101.2	99.0	99.0	93.2	105.9

[1] Civilian consumption only. Quantities of individual foods, measured in pounds equivalent to the form sold by retail food stores, combined in terms of average 1957-59 retail prices. Data since 1955 are in *Food Consumption, Prices, and Expenditures*, Agricultural Economics Report No. 138, July 1968. To convert indexes for earlier years to 1967=100, multiply by the following factors: Meat, .90744; poultry, .73260; eggs, .11013; dairy products, exclude butter, .10504; include butter, .10776; animal fats, .13316; total livestock products, .96061. [2] Excludes fish and honey. [3] Preliminary.

held down to some extent. High feed grain prices earlier this year limited fed cattle marketings.

With lower feed prices this fall and 2 percent more cattle now on feed, fed cattle marketings probably will run moderately larger next year, with per capita consumption expected to be above January-June of this year.

Per capita consumption of pork will likely exceed 72 pounds in 1971, compared with 66 pounds last year. Quarterly consumption rates have ranged between 16½ and 18 pounds since late in 1970, much higher than the 14 to 15 pound rate in the first 3 quarters of last year.

This year's fall pig crop, which will supply the bulk of slaughter in the first half of next year, is estimated to be down 7 to 8 percent from a year earlier. Thus, pork consumption in the first half of 1972 will be substantially smaller than the 36 pounds per person consumed in the first half of this year.

Poultry.—Chicken consumption is registering a decline this year from the 1970 per capita total of 41.4 pounds. If the indicated decline of 1 pound per capita is realized, it will mark the first sizable decline since 1960. Broiler production picked up this fall so consumption should be on the increase again next year. Higher farm prices of broilers and lower prices of feed raised the broiler-feed price ratio and stimulated the increase in production.

Civilian turkey consumption may be up slightly in 1971. However, most of the increase came in the early months of the year. Since then, stocks have been increasing more than seasonally and slaughter has been declining relative to year earlier levels. We will probably eat about as much turkey in the fourth quarter this year as in 1970.

Eggs.—Production in 1971 has continued well above 1970 output. This increase, along with a slight decline in hatching egg use, indicates that per capita civilian consumption may reach 321 eggs compared with 319 in 1970. Layer numbers are increasing seasonally, but should be 1-2 percent below year-earlier levels by the end of the year. Gains in rate of lay have made up the difference, however, and per capita supplies in the fourth quarter will equal those a year ago. Next year per capita consumption levels likely will be slightly below 1971 quarterly rates.

Dairy products.—The per capita consumption index (retail-price weighted) for dairy products this year has remained steady at the 1970 rate—a pause in the historic decline. Though averaging under year-ago rates in spring and summer, a contraseasonal increase this fall will bring

Table 7.—Civilian per capita consumption of major food commodities (primary distribution weight), average 1957-59, annual 1967-71[1]

Commodity	Average 1957-59	1967	1968	1969	1970	1971	1971 as percentage of 1970
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Percent*
Meats (carcass weight)	156.6	178.3	183.2	182.5	186.3	192.2	103
Beef	82.1	106.5	109.7	110.8	113.7	113.6	100
Veal	7.1	3.8	3.6	3.3	2.9	2.7	93
Lamb and mutton	4.4	3.9	3.7	3.4	3.3	3.2	97
Pork (excluding lard)	63.0	64.1	66.2	65.0	66.4	72.7	109
Fish (edible weight)	10.5	10.9	11.0	11.1	11.4	11.2	98
Poultry products:							
Eggs (farm basis)—Number	356	324	321	318	319	321	101
Chicken (ready-to-cook)	27.5	37.2	37.5	39.1	41.4	40.3	97
Turkey (ready-to-cook)	6.0	8.6	7.9	8.3	8.1	8.3	102
Dairy products:							
Cheese	7.9	10.1	10.6	11.0	11.5	12.0	104
Condensed and evaporated milk	14.8	9.0	8.9	7.9	7.1	6.8	96
Fluid milk and cream (milk equivalent)	337	285	280	272	264	258	98
Ice cream (product weight)	18.4	17.8	18.4	18.0	17.7	17.6	99
Fats and Oils—Total, fat content	45.3	49.4	51.2	51.9	53.2	53.2	100
Butter (actual weight)	8.2	5.5	5.7	5.4	5.3	5.1	96
Margarine (actual weight)	8.9	10.5	10.8	10.8	11.0	11.1	101
Lard	9.3	5.4	5.6	5.1	4.6	4.5	98
Shortening	11.4	15.9	16.3	17.1	17.3	17.1	99
Other edible fats and oils	10.8	15.1	16.0	16.8	18.2	18.6	102
Fruits:							
Fresh	95.5	80.9	78.3	79.0	81.0	82.5	102
Citrus	34.0	31.6	26.3	28.3	28.6	29.3	102
Apples (commercial)	21.0	16.2	15.7	15.1	18.1	17.2	95
Other (excluding melons)	40.5	33.1	36.3	35.6	34.3	36.0	105
Processed:							
Canned fruit	22.4	22.6	21.9	24.0	22.5	22.2	99
Canned juice	13.5	11.7	12.2	14.6	13.8	14.6	106
Frozen (including juices)	8.6	10.1	9.4	9.3	9.8	10.4	106
Dried	3.3	2.8	2.8	2.7	2.7	2.9	107
Vegetables:							
Fresh[2]	104.1	98.1	98.7	98.9	98.9	97.9	99
Canned, excluding potatoes and sweetpotatoes	43.3	48.9	50.5	51.3	51.3	51.2	100
Frozen, excluding potatoes	6.6	9.0	9.6	9.1	9.7	9.5	98
Potatoes, fresh equivalent	106.9	111.5	115.8	117.5	119.1	122.5	103
Sweetpotatoes, fresh equivalent	8.3	5.8	5.7	5.8	5.8	5.3	91
Grains:							
Cornmeal and flour	7.4	7.2	7.4	7.4	7.4	7.4	100
Corn sirup	9.4	14.1	14.8	15.4	16.0	16.6	104
Corn sugar	3.6	4.6	4.7	4.9	4.9	5.0	102
Wheat flour[3]	120	112	112	112	110	110	100
Wheat cereals	2.8	2.9	2.9	2.9	2.9	2.9	100
Rice, milled	5.4	7.5	7.9	8.3	6.7	7.6	113
Other:							
Coffee (green beans)	15.9	14.3	14.2	13.9	13.6	13.3	98
Tea	.58	.69	.73	.73	.72	.73	101
Cocoa beans	3.5	4.2	4.3	3.9	3.9	3.9	100
Peanuts (shelled)	4.6	5.7	5.8	5.9	5.9	5.8	98
Dry edible beans	7.7	6.9	6.3	6.8	5.9	6.3	107
Melons	25.1	22.4	22.4	23.1	23.3	22.2	95
Sugar (refined)	96.1	97.3	100.1	100.1	102.5	101.6	99

[1] Quantity in pounds, except for eggs. Data on calendar year basis except for dried fruits, which are on pack-year basis, fresh citrus fruits and peanuts on a crop-year basis, and rice on August 1 year. Fresh citrus year begins in previous October and rice year begins in previous August. July 1 civilian population (50 States beginning 1960) used to derive per capita figures except for sugar, dried fruit, peanuts, and rice. [2] Commercial production for sale as fresh produce. [3] Includes white, whole wheat, and semolina flour.

per capita consumption for the year up to the 1970 average. On a milk equivalent basis consumption will likely be down, reflecting the trend toward increased use of low fat dairy products.

Reflecting strong demand, use of American and other cheese increased about 4 percent to 12.0 pounds per person in 1971 despite a 5 percent increase in price during the past year; cottage cheese use, at 5.2 pounds, was up 2 percent. Lowfat fluid milk use has risen substantially and consumption of nonfat dry milk also is up. But there have been declines in consumption of most other items, particularly butter, evaporated milk, and fluid whole milk and cream.

USDA purchases of dairy products (milk equivalent basis) were a fourth higher through September this year than last. As of September 1 total stocks of dairy products were up 12 percent; commercial holdings were less than a year ago, but government stocks—mainly butter—were up substantially.

USDA donations to domestic programs, including milk supplied under the Special Milk and School Lunch programs, are expected to be nearly a tenth higher this year (milk equivalent basis) than the reduced level in 1970.

Imports of dairy products through August were about a fifth lower than last year because of new import quotas and lower world dairy supplies. Exports were up, mainly due to CCC butter sales. Through November 2 CCC sold 78 million pounds of butter to commercial exporters for shipment overseas, primarily to Great Britain.

Crop Food Products

Fats and oils.—Per capita consumption of edible fats and oils is expected to total near the 53.2 pounds (fat content) used in 1970. Reduced butter, lard (direct use), and shortening consumption will be about offset by increases for margarine and cooking and salad oils.

Next year consumption is expected to increase slightly. Gains for margarine, shortening, and cooking and salad oils are expected to offset continuing declines in butter and lard use.

Vegetables.—Vegetable supplies for calendar year 1971 probably will equal year-ago levels, but smaller supplies are available this fall than last.

Supplies of vegetables for fresh use appear to be moderately smaller than last year because of reduced cabbage, lettuce, and tomato crops.

Canned and frozen vegetable supplies will likely be less than a year ago and the smallest since 1967, but generally adequate for trade needs in the 1971/72 marketing season. Carryover stocks of both canned and frozen vegetables were well below a year earlier, and new packs of major items are not likely to be large enough to maintain supplies at 1970/71 levels.

Potatoes and sweetpotatoes.—Potato supplies will continue ample into next spring. Production this fall is only 1 percent smaller than the large crop a year ago.

Sweetpotato production is 11 percent less this fall than in 1970 and use in canning may be less this year.

Dry beans.—Supplies of dry edible beans in 1971/72 are expected to be materially smaller because of light carryover stocks and a 6 percent smaller crop this season. Demand was strong in 1971 as consumption jumped 7 percent and retail prices during the first 9 months averaged 13 percent higher than during the same months of 1970. Most of the indicated increase in consumption came at the expense of exports.

Fruit.—Per capita consumption of fruits advanced in 1971—averaging 3 percent more than in 1970.

Fresh use of oranges declined slightly. Fresh use of grapes and pears will increase with the large crops of 1971. Consumption of bananas increased moderately.

The volume of chilled orange juice consumed rose to 4.4 pounds per person in 1971 and was a third larger than the quantity of canned orange juice consumed (excluding amounts used in blends). Since 1960, use of the chilled product has more than doubled while the canned product has shrunk by nearly a third. Frozen citrus concentrate consumption moved up slightly to record levels.

Supplies of fruit this fall and winter are good, The 1971/72 citrus crop currently being harvested is slightly below last year's large crop. However, a forecast of an 8 percent smaller orange crop in Florida will be tempered by the prospect of a 5½ percent increase in juice yield. Florida stocks of frozen orange juice concentrate were 11 percent less on October 2 this year than on the same date in 1970. California navel oranges, the primary fresh variety, are forecast 23 percent above the low level a year ago.

Deciduous fruit supplies are large this fall with tonnage harvested in 1971 9 percent greater than in 1970. Though 1 percent smaller, the apple crop is still large compared with most years. Supplies of pears, both fresh and processed, are abundant, reflecting the 36 percent greater production. Production of table grapes is up 34 percent and raisin varieties up 22 percent this year. However, shipments of grapes to fresh market through mid-October were 4 percent less than a year earlier. Though 1 percent less than last year's large crop, cranberries will be plentiful again this year.

On September 1, cold storage stocks of fresh apples were little more than half their year-earlier level, but stocks of pears and other fresh fruits were up a fourth. Frozen deciduous fruit stocks were 11 percent lower. Frozen cherry and grape stocks were higher but all other reported items were down. Among the more notable declines, frozen apple stocks were 30 percent lower, and strawberries were down 9 percent. Total stocks of frozen orange juice were down 3 percent, but this 15 million pound drop was offset by a 12 percent increase in stocks of other frozen fruit juices.

USDA Food Donations

USDA distributed, 2.4 billion pounds of food last year to schools, institutions, and needy families in the

United States—9 percent more than a year earlier. Large increases for poultry, fruits and cereal products were somewhat offset by declines for meat, dairy products and canned vegetables (table 8). Increases for schools and institutions were less than half as much as the 12½ percent gain for the family program.

The equivalent retail value of all foods directly donated (in constant dollars) rose only 5 percent in 1970 compared with 19 percent a year earlier; poundages increased 9 and 17 percent. In 1970 there was a 5 percent decline in value of foods from animal sources in contrast to an 18 percent increase the previous year. Sixty percent more poultry was donated in 1970, but this was more than offset by 18 percent decreases for meat and dairy products.

The retail value of crop foods donated increased 20 percent, about the same as a year earlier, to represent 46 percent of total food donated in 1970—up from 40 percent in 1969. A two-thirds expansion in fruit represented over half of the rise in crop food donations.

Reduced poundage donations of beef and pork were more than offset by increases for chicken and turkey. Direct dairy donations were relatively close to the 1969 level, with increases for instant fortified milk far outweighing the drop for nonfat dry milk. Distribution of evaporated milk continued to increase, but cheese donations were cut in half.

Canned vegetable donations declined somewhat from the high 1969 level while canned fruit and juice climbed to a new high. Large donations of fresh apples and pears and an increase for frozen orange concentrate also boosted the fruit total.

Shift in Distribution

Institutions received 5 percent, schools 44 percent and needy families 51 percent of the total poundage of food distributed by USDA in 1970, an advance of 1 point for families, and a decline of 1 point for schools, compared with a year earlier.

The three classes of recipients each gained a greater proportion of fruit in their package of foods in 1970, with schools gaining the most. But the needy family program fared better than schools in most other foods. The substantial drop in meat donations to schools was not quite offset by the gain in poultry. Much less cheese brought the proportion of dairy products in donations to schools down substantially, while needy families received about the same amount of cheese as in 1969 and more of other dairy products.

As in 1969, schools received most of the canned fruits and frozen orange juice donated. Needy families got almost all of the canned fruit juice and most of the dried fruits. Fresh fruits went primarily to schools in 1970, though institutions received more than in 1969 when they had been the major recipient.

Tomato products (including juice) represented over half of the total canned vegetables donated in 1970, as they did in 1969. Canned vegetable donations declined 15 percent. Schools received 22 percent less while the family program was reduced only 6 percent. In 1970 the family program received 42 percent of the canned vegetables, compared with about 38 percent recorded a year earlier.

The small increase in cereal product donations in 1970 was largely attributed to increases for the needy family program—mostly macaroni, but flour, rice, rolled oats and farina also were up. Although there were increases in other foods, flour accounted for most of the 5 million-pound increase in the total donations to institutions.

Distribution including donations to U.S. Territories, 1970
(percentage of total poundage)

Commodity	Schools	Needy families	Institutions	Total
Meat	3.9	3.6	---	7.5
Poultry	3.8	2.2	0	6.0
Scrambled egg mix	0	.6	0	.6
Dairy products	5.7	11.5	1.1	18.3
Fats and oils (excl. butter)	2.2	1.5	.4	4.1
Fruits and vegetables	14.7	8.4	.4	23.5
Dried beans and peas	.9	2.8	.1	3.8
Potatoes and sweetpotatoes	.5	1.5	0	2.0
Cereal products	11.6	15.8	3.0	30.4
Peanut butter	.7	1.3	---	2.0
Corn sirup	0	1.8	0	1.8
Total	44.0	51.0	5.0	100.0

Table 8.—USDA domestic donations of commodities to schools, institutions, and needy persons, 1965-70[1]

Item	1965	1966	1967	1968	1969	1970[2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Meat						
Beef	201.0	53.1	100.0	73.2	91.1	76.7
Pork	.1	---	---	11.2	57.7	32.7
Mixtures	35.5	51.0	83.0	63.4	61.6	66.2
Total	236.6	104.1	183.0	147.8	210.4	175.6
Poultry						
Turkey	39.6	20.2	61.2	53.8	42.7	66.0
Poultry, other	33.9	45.1	51.0	73.1	59.0	78.1
Total	73.5	65.3	112.2	126.9	101.7	144.1
Eggs - dried[3]	2.8	---	2.1	9.1	13.7	13.1
Dairy products						
Butter	132.9	50.9	108.4	141.3	166.4	168.3
Cheese	82.0	4.6	81.2	105.2	89.5	45.6
Nonfat dry milk	147.9	127.1	108.4	107.9	111.4	89.3
Evaporated milk	---	---	---	23.3	62.4	89.2
Milk, instant fortified	---	---	---	---	.2	32.2
Milk, beverage mix	---	---	---	.1	1.9	.5
Total	362.8	182.6	298.0	377.8	431.8	425.1
Fats and Oils						
Lard and shortening	89.2	90.0	78.9	77.5	76.1	73.3
Margarine	31.6	44.5	24.4	3.5	---	---
Salad oil	---	---	---	---	---	24.3
Fruits						
Fresh	9.1	---	18.4	5.1	4.8	81.9
Canned (including juice)	94.0	88.4	78.7	113.2	184.2	249.6
Dried	1.0	38.7	35.4	29.4	41.4	43.0
Frozen	4.0	4.7	109.1	32.7	5.8	15.8
Total	108.1	131.8	241.6	180.4	236.2	390.3
Vegetables						
Fresh	---	.5	---	---	---	---
Canned (including juice)	50.9	48.9	48.9	111.4	197.0	178.8
Dried beans and peas	81.2	37.8	83.5	65.5	81.2	84.9
Total	132.1	87.2	132.4	176.9	278.2	263.7
Potatoes and sweetpotatoes	9.4	24.2	14.7	40.4	47.5	46.0
Cereal products						
Bulgur	4.9	4.9	5.1	5.1	4.7	4.3
Cornmeal, grits, and flour	151.0	141.6	113.4	112.2	107.8	102.8
Oats (rolled)	---	.6	27.7	26.1	32.6	37.4
Rice	95.8	87.6	70.1	74.6	81.9	84.5
Wheat flour	482.9	445.2	399.0	409.6	430.6	442.1
Wheat (rolled)	51.5	43.6	21.6	21.6	17.9	16.8
Farina and macaroni	---	---	---	---	1.4	22.8
Total	786.1	723.5	637.9	649.2	676.9	710.7
Other[4]	42.3	42.9	37.1	52.5	87.2	91.8
Total all commodities	1,874.5	1,496.1	1,762.3	1,842.9	2,159.7	2,358.0
Percentage of U.S. total food consumption[5]	1.0	.6	.9	.9	1.0	1.1

[1] Includes commodities distributed under the National School Lunch Program; excludes distribution to U.S. Territories. Data are in terms of product weight so for some items are not comparable over time.
[2] Preliminary.
[3] Beginning 1968 includes scrambled egg mix.
[4] Includes peanut butter, corn sirup, and minor amounts of other items.
[5] Based on values at 1957-59 retail prices.

FISHERY PRODUCTS SITUATION[1]

Consumption of fishery products is running a little lower in 1971. Per capita sales will total near 11.2 pounds, down from 11.4 pounds last year. Consumption had been rising for 3 consecutive years.

Several factors account for the slight drop in sales this year. At the retail level, sales have been sluggish due mostly to record-high prices. Retail prices advanced sharply in 1970 and were averaging as much as 10 percent higher prior to the wage-price freeze. Prices of most fish fillets are considerably higher than whole broilers and in most cases higher than chicken parts. Abundant pork supplies and resulting lower prices made fish more expensive relative to many cuts of pork during much of 1971. Such price comparisons do not take into account the fact that a fish fillet is 100 percent edible, since it contains no bones or fat. Also accounting for some retail sales resistance were periodic reports of mercury in fish.

Institutional and food service sales are off in 1971. These markets have been more affected by a lack of supplies than higher prices. Sales would have been heavier, despite higher prices, if imported raw materials had been available. Combined sales of fish sticks and portions will show little growth over last year — a direct result of U.S. processors being unable to increase purchases of frozen fish blocks from Canada and Scandinavia. The fastest growing segment of the U.S. fisheries market in recent years has been the fish and chips franchises. Sales in this area are off because of the inability of these companies to purchase larger quantities of imported fillets.

Imports of edible fishery products were off about 3 percent through August. Because of a leveling off in world catches of many fish species and increasing demand in other countries, record-high prices on the U.S. market have not attracted more imports in 1971. Since U.S. fish consumption is about 55 percent dependent on imports, the world supply and demand situation has a direct influence on domestic consumption. A prolonged East and Gulf Coast dock strike could reduce fish supplies even further in the fourth quarter.

Besides the lower imports, U.S. landings of edible fish are also down in 1971. Domestic production of tuna may be off as much as 14 percent, shrimp by 4 percent, and salmon landings likely will be a third below 1970. Haddock landings continue downward — possibly off a fifth from last year. Flounders may be down a tenth, and whiting landings are running only a little better than half those of last year. Halibut landings will also be off. Modest increases in cod, ocean perch, and pollock will not be able to make up the deficits in other groundfish.

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[1] Prepared by Donald R. Whitaker, Market Research and Services Division, National Marine Fisheries Service, Department of Commerce.

Sugar

Demand Is Steady

Sugar deliveries to major users for the first half of this year equaled last year's 5.4 million tons (raw value). Third quarter deliveries of 3.2 million tons were up 50,000 tons from a year ago. For the year, physical deliveries may top last year's record 11.2 million tons so per capita consumption may be the same as last year.

Domestic Production Up Slightly

Domestic-grown sugar production is expected to increase slightly this year:

Area	1969	1970	1971 1/
	1,000 tons, raw value		
Cane:			
Mainland	1,072	1,254	1,250
Hawaiian	1,182	1,162	1,200
Puerto Rican	483	460	324
Total	2,737	2,876	2,774
Continental beet	3,330	3,209	3,250
Total U.S. grown	6,067	6,085	6,024

1/ Estimated.

Hawaiian production is running slightly ahead of output a year ago, but Mainland production is slightly behind because of an early season hurricane in Louisiana and a water shortage in Florida. Production in Puerto Rico also declined. U.S. output of beet sugar this crop year may exceed last year's level as higher yields and an anticipated higher recovery rate (pounds of sugar recovered per ton of beets) offset a smaller acreage.

Sugar Prices Holding Firm

Sugar prices at all levels were slightly higher in the third quarter this year than in the first half (table 9). Overall, prices were about 3 to 5 percent higher than a year ago. Prices for the last quarter this year may change little from third quarter levels.

Sugar Act Extended

On October 14, the President signed the bill which extended the U.S. Sugar Act to December 31, 1974.

In the new Act, the mainland cane area (Florida and Louisiana) received a 300,000 ton (raw value) increase in the basic quota (table 10). Meanwhile, the Puerto Rican quota was reduced by 285,000 tons and the Virgin Islands quota of 15,000 tons was eliminated because of deficits in those areas which in recent years were reallocated to other foreign suppliers. Certain foreign countries gained larger quotas, while quotas were reduced for several others. The quota was eliminated for the French West Indies, but Paraguay, Malawi, and Uganda obtained U.S. quotas for the first time.

The new legislation stipulates that the guide price for raw sugar will change from 8.54 cents a pound in line with the average change in the Wholesale Price Index and the Parity Index. The new law also restricts candy and confectionery imports to the larger of: No more than 5 percent of domestic candy and confectionery sales during the most recent calendar year for which data are available or the average level of imports during the past 3 years.

Consumption Requirements for 1972

On October 19, USDA proposed domestic consumption requirements of 11.2 million tons (raw value) for calendar year 1972. In addition, a deficit of 550,000 tons was proposed for Puerto Rico from its basic quota of 855,000 tons and reallocated to the Western Hemisphere countries and the Philippines on a pro rata basis as specified in the Act.

Coffee

Coffee Consumption Continues Down

Per capita consumption of coffee is expected to decline from last year's 13.6 pound level (green bean equivalent). This would continue the downtrend begun in 1962. The 1971 decline reflects in part the high level of retail coffee prices at the beginning of the year as a result of the short 1970/71 coffee crop.

Large Crop Coming

The 1971/72 world coffee crop has been estimated at 72 million bags by the Foreign Agricultural Service. The new estimate, about 1 percent larger than the July estimate, reflects excellent crops in Mexico and Central America as well as a good recovery of production in Brazil. The 1971/72 crop is expected to be the largest since 1965/66 (82 million bags) and over a fourth larger than the short 1970/71 crop.

Exportable production (total harvested production less estimated domestic consumption in producing countries) may total 53 million bags this crop year. On

Table 9.--Sugar, coffee, cocoa products: Prices and price changes, by quarters

Market	1971			Change from year earlier		
	I	II	III	I	II	III
	Cents per pound 1/			Percent		
Sugar						
Wholesale, New York:						
Domestic raw	8.39	8.43	8.60	+5.0	+4.2	+5.3
Refined cane 2/	12.27	12.45	12.60	+4.9	+4.8	+4.1
Refined cane or beet: 2/						
Chicago--west	11.57	11.60	11.60	+8.7	+5.7	+3.1
Pacific coast	11.27	11.40	11.40	+7.7	+7.2	+4.9
Retail 3/	13.43	13.54	13.70	+6.5	+5.5	+4.5
Coffee						
Wholesale, green--New York:						
Colombian--Manizales	52.5	49.5	48.6	-10.6	-14.8	-14.4
Mexican--Washed	46.2	46.2	46.1	-11.0	-15.8	-24.5
Brazilian--Santos No. 4	52.7	44.2	43.2	-3.5	-17.8	-15.9
Robusta--Ambriz No. 2 BB	43.2	42.9	42.7	+10.2	+1.9	-1.8
Retail						
Roasted:						
1 pound can	94.8	93.4	92.7	+12.3	+3.8	-1.5
1 pound bag	82.4	80.1	78.6	+16.1	+6.0	-1.9
Instant, 6-oz. jar	4/ 108.6	4/ 108.9	4/ 109.8	+7.8	+4.7	+4.0
Cocoa and chocolate						
Wholesale, New York:						
Cocoa beans - Accra	28.3	26.3	28.1	-20.9	-13.8	-22.2
Cocoa butter	54.8	52.6	58.0	-28.5	-14.7	-19.4
Retail:						
Chocolate bar (1-oz.)	5/ 6.7	5/ 6.7	5/ 6.7	+6.9	+2.6	---
Chocolate sirup	25.6	25.6	25.6	+3.1	+2.0	+.4

1/ Except as noted.
2/ 100-lb. paper bags, carload lots.
3/ 5-lb. package.
4/ Cents per 6-oz. jar.
5/ Cents per 1-oz. bar.
Source: Wholesale sugar prices from Sugar Reports, wholesale cocoa prices from Journal of Commerce, all other data from Bureau of Labor Statistics.

Table 10--U.S. sugar quotas, by area, 1970-72

Production area	1970 1/	1971 2/	Proposed 1972 3/
	Thousand tons 4/		
Domestic beet area	3,569	3,406	3,406
Mainland cane area	1,308	1,239	1,539
Hawaii	1,146	1,110	1,160
Puerto Rico	352	180	305
Total domestic cane	2,806	2,529	3,004
Total U.S. grown sugar	6,375	5,935	6,410
Carribean area	994	938	869
Mexico and Central America	973	900	856
South America	1,371	1,304	1,200
Total Latin America	3,338	3,142	2,925
Philippines	1,298	1,589	1,291
Other Eastern Hemisphere	541	534	574
Total Eastern Hemisphere	1,839	2,123	1,865
Total imports	5,177	5,265	4,790
Grand Total	11,552	11,200	11,200

1/ Final quota charges.
2/ 1971 quotas as of August 31, 1971.
3/ Proposed authorized quotas for 1972, on October 19, 1971 .
4/ Raw value.
Sources: Sugar Reports; June 1971, September 1971, and October 1971.

the demand side, the International Coffee Council announced an initial global quota of 47 million bags for the October-September marketing year, down from the final figure of 50 million bags a year ago. The total may be increased or decreased, depending on changes in the composite price level. Currently, the price is running 43 cents per pound. The selectivity system also permits changes in coffee quotas by type of coffee (Colombian milds, other milds, unwashed Arabicas (Brazils), and robustas). However, allowable price ranges for individual types of coffee will be lower than in effect during the 1970/71 marketing year.

U.S. Imports Rebound

Through August this year U.S. green coffee imports were running 14 percent ahead of last year's schedule. This year's increase reflects a substantial stock buildup in anticipation of the dock strike in the East and Gulf Coast ports which began in early October. Imports of roasted and instant coffee were also running ahead of last year's schedule through August.

In the first half of 1971 domestic roastings were down about 6 percent from a year ago but may regain a little of the loss in the second half.

Coffee Prices Ease

Most wholesale and retail coffee prices continued down in the third quarter (table 9). Although wholesale prices have been relatively weak during most of 1971, retail prices of regular coffee did not edge lower than a year ago until the third quarter. Instant coffee prices were still 4 percent higher than in the same quarter of 1970. Both wholesale and retail prices likely will remain near current levels in the last quarter of 1971.

Cocoa and Chocolate

Per capita cocoa consumption likely will total near 3.9 pounds (bean equivalent) this year, about the same level as last year. Cocoa bean imports are running ahead of last year and may total some 10 percent above the 625 million pounds of 1970. The U.S. cocoa bean grind for the first 3 quarters was up 1.5 percent over a year ago and for the year may be up as much as 2.5 percent over last year's 585 million pounds. With imports increasing at a faster rate than grindings, a further stock buildup is likely at yearend.

Imports of semiprocessed and consumer cocoa and chocolate products are running fractionally behind last year's 229 million pounds (bean equivalent). The dock strike and the 10 percent import surtax may further slow product imports. Although cocoa butter imports are ahead of last year's pace, imports of unsweetened chocolate and cocoa powder are down slightly. In 1972, chocolate candy and confectionery imports will come under quota as required by the Sugar Act amendment. Imports under quota are generally exempt from the surtax.

Large World Crop in Prospect

The cocoa harvest for the October 1971-September 1972 marketing year is underway, and another large crop is in prospect. This year's estimated crop, of 1.53 million metric tons is 2 percent larger than last year, reflecting favorable weather in most producing countries. Thus some increase in world stocks is likely for the third consecutive year.

Cocoa Prices Are Declining

Cocoa bean and cocoa butter prices averaged moderately higher in the third quarter this year, the traditional "crop scare" months.

Prospects of a large crop pushed prices lower in October to 25.1 cents per pound and cocoa butter prices to 51.5 cents per pound from significantly higher third quarter levels (table 9). Thus, both cocoa and cocoa butter prices in the fourth quarter will likely average under third quarter levels. However, retail prices of a chocolate bar and chocolate sirup appear likely to remain near current levels.

Prospective total annual utilization of farm food commodities this calendar year is up 1 percent (table 11, fig. 8). Civilian food use is up over 2.5 percent, exceeding the 1 percent increase in population. Military procurement may drop another 8 percent, continuing a decline started in 1967. Food commodity exports ran substantially above a year ago for the first 3 quarters of 1971, but probably will slip during the fourth quarter. Imports for 1971 probably will be higher.

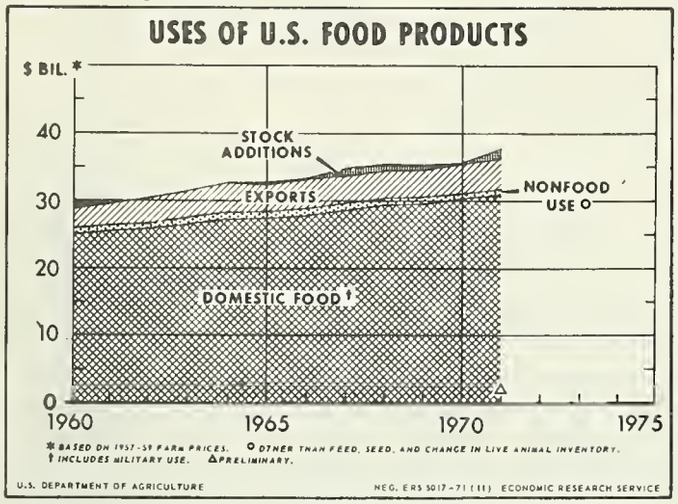

Figure 8

Civilian food use of livestock commodities is up nearly 3 percent this year mostly because of the sharp increase for pork. However, imports and military purchases of livestock products are running lower.

Crop food commodities used for civilian food may increase about 2 percent. Conversely, feed and seed use of food crops probably will total less. Military food purchases are running behind last year's pace.

Imports of crop food commodities, which are two-thirds of the total food imports, are running about 7 percent ahead of last year's level, while imports of livestock food products are about 3 percent behind.

Net production of food commodities in 1971 may leap 10 percent above the reduced 1970 level, with crop commodities—including feed for livestock production—gaining more than livestock products (fig. 9). Crop production this year was highlighted by the unexpected surge in corn output to an indicated record of 5.4 billion bushels following last year's blight-damaged crop of 4.1 billion bushels.

The stage was set this past spring for the record corn crop when farmers planted 12 percent more acres. Secondly, the anticipated damage from corn blight never materialized and yields soared to a record 84 bushels per acre, 18 percent above last year. Thus, this year's corn crop is expected to total nearly a third over a year ago and 13 percent higher than the previous record crop in 1967. Production of wheat also climbed sharply to a new record. Other commodities with larger production prospects include beef, pork, turkey, eggs, milk, food

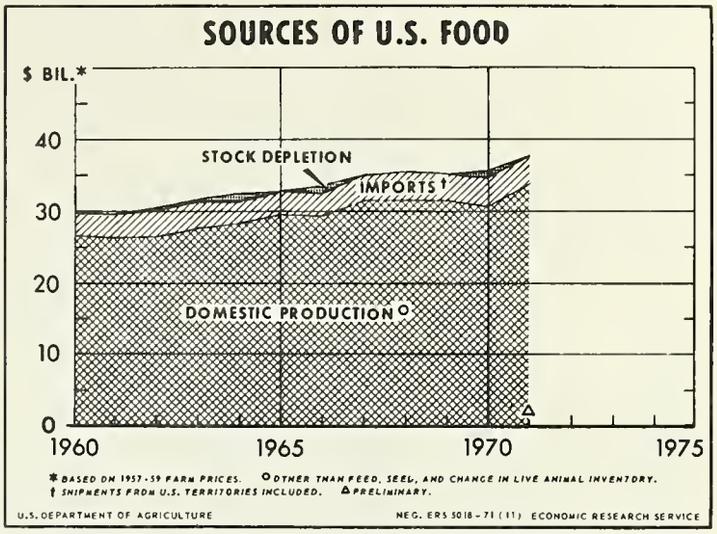

Figure 9

fats and oils, and peanuts. A small boost in fruits and vegetables accounted for less than 5 percent of the total increase.

1972 Outlook Mixed

Production of livestock food products next year may go higher and crop output of food commodities probably will decline. The level of imports may not change much, but exports of food products are expected to increase. Civilian food use is also expected to increase, but perhaps less than the 1971 rise. With both exports and civilian food use indicated upward, total utilization appears likely to increase slightly next year.

Production of several livestock commodities is expected to increase next year since feed grains are now in ample supply. These food commodities include beef, poultry, and total milk (including cheese and nonfat dry milk). Total production of several livestock food items in 1972—pork, lamb and mutton, turkey, eggs and lard—may fall slightly short of production in 1971.

With normal growing conditions, food crop yields will probably increase again next year in line with the long-term increase, but somewhat less than the estimated 7 percent jump this year. Acreage planted to major crops is expected to decline somewhat next year especially for feed grains largely because of the announced changes in farm programs for these crops. Farmers will be surveyed in January 1972 regarding their planting intentions. This will give a first indication of crop output next year. The planting intentions report for winter wheat and rye is scheduled for release on December 22.

Production of fruits and vegetables may rise some next year if normal growing conditions prevail.

Table 11.—Livestock, crop, and total farm food commodities: Supply-utilization indexes by component and relationship of components to annual utilization, 1965-71[1]

Year	Supply			Total annual utilization	Utilization					
					Domestic use					
					Food		Non-food		Total	Exports and shipments[4]
	Production	Imports[2]	Stocks[3]		Civilian	Military	Seed and feed	Other		
	A.—All food commodities indexes: (1967=100)[5]									
1965	93.8	92.1	105.8	96.3	95.2	90.6	---	102.8	95.4	103.5
1966	92.5	99.7	106.9	98.9	96.8	96.7	---	105.6	97.1	111.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	---	100.0	100.0	100.0
1968	100.3	111.7	109.1	102.1	102.5	97.9	---	101.6	102.3	100.5
1969	100.7	101.2	116.5	102.6	104.3	83.4	---	101.9	103.8	93.3
1970[6]	98.5	105.0	120.7	105.8	105.9	69.9	---	91.0	104.6	114.3
1971[6]	107.9	109.8	111.8	106.7	108.6	64.4	---	95.7	107.3	102.8
	Livestock food commodities (1967=100)									
1965	94.9	71.5	104.0	95.4	94.5	86.1	107.6	103.1	94.7	124.3
1966	96.8	95.0	86.2	97.1	96.7	92.2	113.8	99.7	97.1	100.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	100.6	109.3	128.8	102.1	102.2	99.6	96.7	103.1	102.0	106.2
1969	100.9	114.2	112.0	102.6	103.1	85.1	100.0	102.3	102.6	104.2
1970[6]	103.6	125.0	96.8	104.8	105.8	71.2	103.0	96.1	104.7	109.1
1971[6]	106.3	120.9	106.1	107.5	108.6	65.0	102.3	98.0	107.3	114.3
	Crop food commodities (1967=100)									
1965	91.8	97.0	105.7	95.9	96.8	106.9	91.1	102.6	94.8	100.6
1966	92.3	100.5	107.8	103.0	97.0	113.1	104.6	108.4	100.7	113.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	101.6	112.1	107.9	102.9	103.0	90.8	105.0	100.8	103.6	99.7
1969	103.8	98.3	116.7	105.3	107.2	76.9	110.2	101.7	107.9	91.7
1970[6]	98.5	100.4	121.8	109.7	106.1	64.6	114.8	88.5	108.6	115.0
1971[6]	111.7	107.3	112.1	107.9	108.2	62.3	113.6	94.6	109.6	101.1
	B.—All food commodities: Percentage of annual utilization[5]									
1965	90.6	9.9	-.5	100.0	82.4	1.8	---	3.0	87.2	12.8
1966	87.0	10.4	2.6	100.0	81.8	1.8	---	2.9	86.5	13.5
1967	93.0	10.3	-3.3	100.0	83.4	1.9	---	2.8	88.1	11.9
1968	91.3	11.3	-2.6	100.0	83.7	1.8	---	2.7	88.2	11.8
1969	91.3	10.2	-1.5	100.0	84.8	1.5	---	2.8	89.1	10.9
1970[6]	86.6	10.3	3.1	100.0	83.5	1.2	---	2.4	87.1	12.9
1971[6]	94.0	10.7	-4.7	100.0	84.9	1.1	---	2.5	88.5	11.5
	Livestock food commodities: Percentage of annual utilization									
1965	97.0	2.5	.5	100.0	91.0	2.1	2.3	1.6	97.0	3.0
1966	97.2	3.2	-.4	100.0	91.6	2.2	2.4	1.4	97.6	2.4
1967	97.5	3.3	-.8	100.0	91.9	2.3	2.1	1.4	97.7	2.3
1968	96.0	3.5	.5	100.0	91.9	2.3	2.0	1.4	97.6	2.4
1969	95.9	3.7	.4	100.0	92.2	1.9	2.1	1.4	97.6	2.4
1970[6]	96.3	3.9	-.2	100.0	92.7	1.6	2.0	1.3	97.6	2.4
1971[6]	96.4	3.7	-.1	100.0	92.8	1.4	2.0	1.3	97.5	2.5
	Crop food commodities: Percentage of annual utilization									
1965	86.7	14.7	-1.4	100.0	45.0	.8	31.5	3.5	80.8	19.2
1966	81.0	14.2	4.8	100.0	42.0	.7	33.6	3.5	79.8	20.2
1967	90.4	14.6	-5.0	100.0	44.6	.7	33.1	3.3	81.7	18.3
1968	89.2	15.9	-5.1	100.0	44.6	.6	33.8	3.2	82.2	17.8
1969	89.4	13.6	-3.3	100.0	45.6	.5	34.7	3.2	84.0	16.0
1970[6]	81.2	13.3	5.5	100.0	43.1	.4	34.6	2.7	80.8	19.2
1971[6]	93.5	14.5	-8.0	100.0	44.8	.4	34.8	2.8	82.8	17.2

[1] Quantities weighted by constant farm prices. Domestic use allocated on the basis of value of processed products. On 50-State basis. Includes essentially all commodities having any U.S. food use. For list of food commodities, see NFS 124 (May 1968) page 15; for comparable data for 1950-64, see NFS 136, (May 1971) pp. 20-22. [2] Includes shipments from U.S. Territories. [3] Farm (Other than live animals), commercial, and Government program holdings. Section A: January 1; derived by applying annual changes to January 1961 level to avoid inconsistent coverage. Section B: Data represent stock changes. Negatives indicate stock increases; positives signify withdrawals. [4] Includes shipments to U.S. Territories. [5] Feed and seed omitted from total commodities to avoid double counting of use through livestock. [6] Preliminary.

NUTRITIONAL REVIEW

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ABSTRACT: Except for a decrease in thiamin due to an expected decline in use of pork, nutrient levels for 1972 are expected to be about the same as in 1971. For 1971 there was a 1 percent increase in nutrient fat over 1970 continuing the long-time upward trend. The proportion of total calories provided by fat is now 43 percent compared with 32 percent in 1909-13. Estimates of the amount of pantothenic acid available from the annual food supply are presented for the first time. In 1971 this nutrient averaged 7.27 milligrams per person per day. The levels of two other B-vitamins, B_6 and B_{12} were 2.21 milligrams and 9.8 micrograms respectively. Animal products are the sole source of vitamin B_{12}. They also currently provide two-thirds of the pantothenic acid and three fifths of the vitamin B_6 compared with one-half of the pantothenic acid and two fifths of the vitamin B_6 in 1909-13.

Key Words: Food supply, diet, food consumption, human nutrition, food economics.

Outlook for 1972

Except for a decrease in thiamin, the nutritive value of 1972 food supply probably will be about the same as in 1971. Consumption of pork, which is an excellent source of thiamin, may be much lower next year. Effects of other indicated changes in food consumption on the levels for nutrients are expected to be offsetting. For example, any increase in food energy, protein, and niacin from estimated increased supplies of beef and chicken will probably be offset by decreased consumption of pork.

Pork will also provide less nutrient fat in 1972, but the decrease is likely to have only a slight effect on total dietary fat due to an estimated 3 percent increase in beef consumption.

The calcium level next year probably will not be affected by changes in consumption of dairy products. More calcium from larger supplies of cheese will likely be offset by less calcium from lower consumption of fluid whole milk and evaporated milk.

Situation in 1971

The level of several nutrients in the national food supply is up again in 1971 reflecting the 1 percent increase in the Per Capita Food Consumption Index. Thiamin is up 2 percent, and protein, fat, phosphorus, iron, niacin, vitamin B_6, vitamin B_{12}, ascorbic acid, and food energy (calories) are 1 percent above the levels of last year (table 12). Pork consumption has made a substantial gain, 9 percent, for the first time since the mid-1940's, and accounts for most of the increase in thiamin. The higher level for ascorbic acid is due to greater use of citrus fruit juices and white potatoes. Increased meat and poultry consumption has accounted for much of the larger amounts of the other 7 nutrients and calories.

Further comparisons of 1971 nutrient levels with those for 1970 show no change for 5 of the major nutrients. Decreases in calcium and riboflavin resulting from less use of fluid whole and unsweetened evaporated milks were matched by increases in these nutrients from greater use of low-fat milks, nonfat milk, and cheese. A smaller contribution in Vitamin A value resulting from the decline in consumption of sweetpotatoes was chiefly balanced by more of this vitamin from increased consumption of edible offal, including liver. Changes in per capita consumption of foods had little effect upon levels for carbohydrate and magnesium.

Situation Since 1967

A comparison of nutrient levels with 1967 shows increased per capita amounts of all nutrients except calcium and magnesium. The biggest increase is in fat, 6 percent, mainly the result of greater use of salad and cooking oils, beef, and pork. More use of beef and pork also has contributed to the 4 percent gain in food energy, vitamin B_6 and vitamin B_{12} (table 12).

The increase in nutrient fat is a continuation of a long-time trend. The proportion of total calories provided by fat is currently at an alltime high—43 percent today compared with 32 percent in 1909-13.

Greater use of meat, particularly beef and pork, and poultry since 1967 not only contributed to higher levels for food energy and fat but also to the 3 percent increase in protein, thiamin, and niacin and the 2 percent increase in iron (table 12). The 2 percent increase in carbohydrate and ascorbic acid is due largely to higher consumption of sugar and other sweeteners and citrus fruit juices, respectively.

Three Selected B-vitamins

Estimates of the amount of pantothenic acid available from the national food supply and the major sources are presented here for the first time and are shown for 7 time periods in table 13. Similar data for two other B vitamins, B_6 and B_{12}, are shown in tables 14 and 15. These B-vitamins are involved in the body's use of carbohydrate, fat, and protein. Vitamin B_6 and vitamin B_{12}, among other functions, help prevent anemia.

Table 12.—Nutrients available for civilian consumption, per capita per day, selected periods[1]

Nutrient	Unit	Average 1957-59	1967	1969	1970	1971 Preliminary	1971 as a percentage of 1957-59	1971 as a percentage of 1967	1971 as a percentage of 1970
Food energy	Cal.	3,140	3,210	3,280	3,300	3,330	106	104	101
Protein	Gm.	95	98	100	100	101	106	103	101
Fat	Gm.	143	150	154	157	159	111	106	101
Carbohydrate	Gm.	374	373	381	380	379	101	102	100
Calcium	Gm.	.98	.94	.94	.94	.94	96	100	100
Phosphorus	Gm.	1.51	1.52	1.53	1.53	1.54	102	101	101
Iron	Mg.	16.1	16.9	17.2	17.2	17.3	107	102	101
Magnesium	Mg.	348	344	344	342	343	99	100	100
Vitimin A value	I.U.	8,000	7,700	7,900	7,800	7,800	98	101	100
Thiamin	Mg.	1.84	1.83	1.84	1.84	1.88	102	103	102
Riboflavin	Mg.	2.28	2.27	2.28	2.28	2.29	100	101	100
Niacin	Mg.	20.6	22.1	22.4	22.5	22.8	111	103	101
Vitamin B^6	Mg.	2.01	2.13	2.17	2.18	2.21	110	104	101
Vitamin B^{12}	Mcg.	8.9	9.4	9.5	9.7	9.8	110	104	101
Ascorbic acid	Mg.	105	108	108	109	110	105	102	101

[1] Data computed by Consumer and Food Economics Research Division, ARS on the basis of estimates of per capita consumption (retail basis), including estimates of produce of rural and urban home gardens, supplied by the Economic and Statistical Analysis Division, ERS. No deduction has been made in nutrient estimates for loss or waste of food in households or for destruction or loss of nutrients during the preparation of food. Data include quantities of iron, thiamin, riboflavin, and niacin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks.

Nutrient Goals. The Food and Nutrition Board has established recommended dietary allowances for vitamins B^6 and B^{12} but not as yet for pantothenic acid. The allowances for vitamin B^6 for children and adults range from 0.5 to 2.0 milligrams daily, and for vitamin B^{12} from 2 to 6 micrograms. As a guide for pantothenic acid the Food and Nutrition Board states that "A daily intake of 5 to 10 mg is probably adequate for children and adults".[1] Using this guide for pantothenic acid and the allowances for vitamins B^6 and B^{12}, the levels for these three vitamins in the national food supply appear sufficient to meet the needs of the population provided, of course, that food is distributed on the basis of nutritional needs. The per capita amount of any one nutrient available in the national food supply, however, may equal or exceed the allowances even though dietary studies in the same year may show a proportion of households or individuals falling short of the recommended intake. Among the reasons for this may be the unequal distribution of food or the food habits of the particular population group studied.

Trends. Over the past 6 decades the quantities of these B-vitamins provided by the food supply have followed similar trends. All were at their lowest levels in 1935-39 when food consumption was generally low, and all are presently at or near their peak levels. Per capita amounts of pantothenic acid and vitamin B^6 are currently 7.27 and 2.21 milligrams respectively, close to their record highs reached in 1909-13 (tables 13,14). The 1971 level for vitamin B^{12}, 9.8 micrograms, is highest on record (table 15).

Sources of pantothenic acid and vitamin B^6 have shifted over the years. These vitamins are widely distributed among foods but the proportions coming from animal and vegetable sources have changed markedly since the beginning of the century. In 1909-13 pantothenic acid was distributed evenly between animal and vegetable sources; today, animal sources provide two-thirds of the total amount (table 13, fig. 10). Also the shares of vitamin B^6 coming from animal and vegetable sources have been reversed during the past 60 years so that today three-fifths comes from animal sources (table 14, fig. 11).

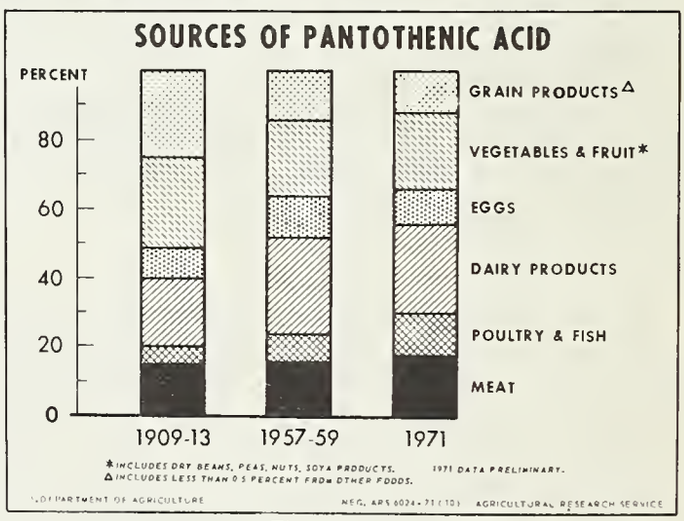

Figure 10

Current levels for pantothenic acid and vitamin B^6 are lower than those for 1909-13 by 3 and 2 percent, respectively (tables 13, 14). The big increase in use of animal products since 1935-39 has not quite offset decreases due to the decline in use of flour and cereal products and potatoes and sweetpotatoes. The level for vitamin B^{12} has increased 27 percent since the low in 1935-39 because of the greater use of animal products, the sole source of this vitamin. Today, the total amount is 17 percent more than in 1909-13 (table 15).

[1] National Academy of Sciences-National Research Council, Food and Nutrition Board. Recommended Dietary Allowances. Natl. Acad. Sci. Pub. 1694. 7th Ed. Rev. 1968. p. 40.

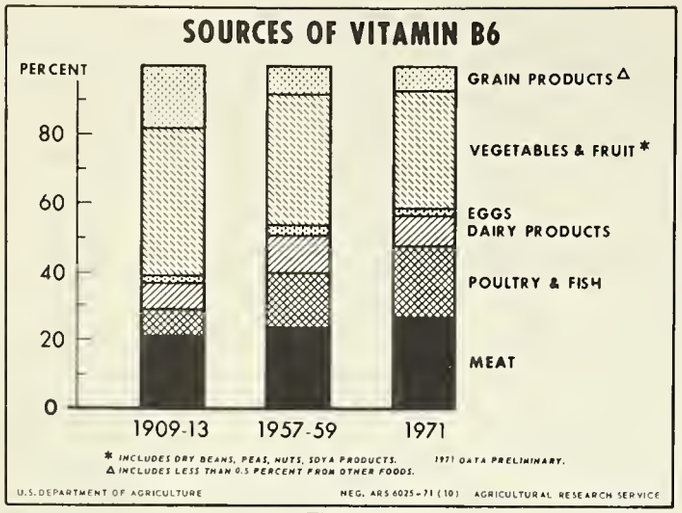

Figure 11

The greatest gains for pantothenic acid and vitamin B^6 were made after the mid-1960's. The gain for vitamin B^{12} since the mid-1960's was as much as the net gain from the beginning of the century until that time.

Although these B vitamins come from a wide variety of foods, each has a distinctive pattern of sources.

Pantothenic Acid.—Currently the largest contribution of pantothenic acid comes from the meat, poultry, and fish group (30 percent) with dairy products a close second. In 1909-13 flour and cereal products provided the largest share (table 13).

Among foods of animal origin, poultry consumption has tripled since the beginning of the century, and has made a spectacular gain as a source of pantothenic acid. Today poultry provides 10 percent of this vitamin, about the same as provided by eggs (table 13). The share provided by two food groups, flour and cereal products and potatoes and sweetpotatoes, has declined. Each now contributes only about half the proportionate amount provided in 1909-13 (fig. 10). Although people eat far less of these foods today, the foods still contribute almost one-fifth of the total pantothenic acid.

Vitamin B_6.—The meat, poultry, and fish group provides almost one-half of the total vitamin B_6. Vegetables and fruits, including dry beans, peas, and nuts, furnish an additional one-third (fig. 11). Between 1909-13 and 1935-39 the meat, poultry, and fish group supplied less than one-third of the vitamin B_6 but expanding use of beef and poultry subsequently led to an upsurge in the importance of this group as a source (table 14).

Decreased consumption of flour and cereal products and potatoes and sweetpotatoes mainly accounts for the decline in vitamin B_6 from vegetable sources. These two groups provided 40 percent of the total amount at the beginning of the century compared with 19 percent today.

Vitamin B_{12}.—Vitamin B_{12} is supplied by three major food groups—meat, poultry, and fish; dairy products; and eggs (table 15, 16, fig. 12). The first of these groups currently provides 70 percent of the total amount. Since 1909-13 this group has supplied no less than 65 percent of the total.

Meat products alone furnish over half of the vitamin B^{12} (fig 12). Among the meat products, beef consumption has shown the greatest gain, contributing

Table 13.—Pantothenic acid available per capita per day, by food source, selected periods, 1909-71

Year	Pantothenic acid	Animal sources						
		Meat, poultry, fish				Eggs	Dairy products	Total[1]
		Meat	Poultry	Fish	Total[1]			
	Milligrams	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1909-13	7.49	14.6	3.6	1.6	19.8	8.8	20.5	49.1
1925-29	7.11	14.0	3.6	1.6	19.3	10.1	23.0	52.3
1935-39	6.83	13.5	3.6	1.5	18.6	9.4	25.0	53.0
1947-49	7.18	15.3	4.7	1.3	21.3	11.7	27.4	60.4
1957-59	7.00	15.7	7.2	1.2	24.1	11.4	28.4	63.9
1967	7.14	16.7	9.5	1.8	28.0	10.2	27.3	65.5
1971[2]	7.27	17.6	10.2	1.8	29.5	9.9	26.3	65.8

	Vegetable sources						
	Potatoes, sweet-potatoes	Vegetable	Fruits	Dry beans, peas, nuts, soya products	Flour and cereal products	Other foods[3]	Total[1]
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1909-13	11.8	7.4	3.9	2.5	25.0	0.3	50.9
1925-29	10.0	8.3	4.5	3.0	21.5	.4	47.7
1935-39	9.5	9.4	5.1	3.6	19.1	.4	47.0
1947-49	7.3	8.8	4.9	3.3	14.9	.5	39.6
1957-59	6.5	7.9	4.5	3.5	13.3	.4	36.1
1967	6.2	7.6	4.1	3.7	12.5	.4	34.5
1971[2]	6.5	7.5	4.2	3.6	12.2	.4	34.2

[1] Components may not add to total due to rounding. [2] Preliminary. [3] Sugars and other sweeteners, coffee and coca products.

Table 14.—Vitimin B^6 available per capita per day, by food source, selected periods, 1909-71

Year	Vitimin B^6	Animal sources						
		Meat, poultry, fish				Eggs	Dairy products	Total[1]
		Meat	Poultry	Fish	Total[1]			
	Milligram	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1909-13	2.25	20.6	6.3	2.0	28.9	2.0	7.9	38.8
1925-29	2.05	20.4	6.6	1.9	28.9	2.4	9.1	40.4
1935-39	1.96	20.0	6.7	2.0	28.7	2.2	9.8	40.8
1947-49	1.99	23.2	9.2	1.9	34.3	2.9	11.2	48.3
1957-59	2.01	24.1	13.7	2.0	39.8	2.7	11.3	53.8
1967	2.13	2.55	17.6	2.6	45.6	2.3	9.9	57.9
1971[2]	2.21	26.6	18.4	2.6	47.6	2.2	9.4	59.3

	Vegetable sources						
	Potatoes, sweet-potatoes	Vegetable	Fruits	Dry beans, peas, nuts, soya products	Flour and cereal products	Other foods[3]	Total[1]
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1909-13	22.6	9.4	7.0	4.6	17.3	0.4	61.2
1925-29	19.6	11.7	8.8	4.8	14.2	.4	59.6
1935-39	18.6	13.1	9.4	5.5	12.2	.4	59.2
1947-49	15.3	13.3	8.6	4.7	9.3	.5	51.7
1957-59	13.6	11.9	8.1	4.7	7.6	.3	46.2
1967	12.1	11.2	7.1	4.3	7.1	.3	42.1
1971[2]	12.1	10.9	6.8	3.9	6.8	.2	40.7

[1] Components may not add to total due to rounding.
[2] Preliminary. [3] Fats and oils, sugars and other sweetener, coffee and cocoa products.

Table 15.—Vitimin B^{12} available per capita per day, by food source, selected periods, 1909-71

Year	Vitimin B^{12}	Meat, poultry, fish				Eggs	Dairy products	Total[1]
		Meat	Poultry	Fish	Total			
	Micrograms	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1909-13	8.4	56.4	3.1	11.6	71.1	9.9	19.0	100.0
1925-29	8.2	51.9	3.0	12.3	67.2	11.0	21.8	100.0
1935-39	7.7	50.4	3.1	12.5	66.0	10.4	23.5	100.0
1947-49	9.0	52.0	3.7	9.6	65.3	11.7	23.1	100.0
1957-59	8.9	52.4	5.6	6.9	64.9	11.2	23.9	100.0
1967	9.4	54.1	7.3	7.3	68.7	9.7	21.6	100.0
1971[2]	9.8	54.9	7.5	8.1	70.4	9.2	20.4	100.0

[1] Components may not add to total due to rounding.
[2] Preliminary.

Table 16.—Contribution of major food groups to nutrient supplies available for civilian consumption, 1957-59 average and 1971[1]

Food groups	Food energy	Protein	Fat	Carbo-hydrate	Calcium	Phos-phorus	Iron	Magne-sium	Vitamin A value	Thiamin	Ribo-flavin	Niacin	Vitamin B^6	Vitamin B^{12}	Ascorbic acid
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1957-59 Average															
Meat (including pork fat cuts), poultry, and fish	18.2	35.7	33.0	0.1	3.2	22.0	27.1	10.9	19.9	27.4	21.2	42.3	39.8	64.9	1.1
Eggs	2.6	6.8	4.0	.1	2.8	6.8	7.1	1.6	7.3	2.8	6.5	.1	2.7	11.2	0
Dairy products, excluding butter	13.5	24.5	16.5	7.7	76.6	38.8	2.3	23.3	12.7	10.5	45.3	2.0	11.3	23.9	5.2
Fats and oils, including butter	16.0	.1	39.4	(2)	.4	.2	0	.3	8.7	0	0	0	.1	0	0
Citrus fruits	.7	.4	.1	1.5	.8	.6	.8	1.7	1.1	2.1	.4	.7	1.2	0	22.1
Other fruits	2.6	.8	.3	5.6	1.3	1.3	4.4	4.4	6.9	2.2	1.8	2.3	6.9	0	10.9
Potatoes and sweetpotatoes	2.8	2.4	.1	5.3	1.0	3.9	4.3	7.2	8.3	6.4	1.9	7.6	13.6	0	20.6
Dark green and deep yellow vegetables	.3	.5	(2)	.5	1.6	.7	1.9	2.3	20.7	.9	1.2	.7	2.0	0	9.2
Other vegetables, including tomatoes	2.3	3.3	.4	4.2	4.6	4.7	9.1	10.2	13.8	6.9	4.4	6.2	9.9	0	30.8
Dry beans and peas, nuts, soya flour	2.9	5.2	3.2	2.3	2.6	5.7	7.4	10.8	(2)	6.0	1.9	6.3	4.7	0	(2)
Flour and cereal products	21.4	19.9	1.5	37.6	3.3	13.1	28.2	18.4	.4	34.8	14.6	25.2	7.6	0	0
Sugars and other sweetners	15.8	(2)	0	34.2	.8	.2	4.3	.2	0	(2)	.1	(2)	.1	0	(2)
Coffee and cocoa[3]	.8	.4	1.4	.7	1.1	2.0	3.0	8.6	(2)	.1	.8	6.4	.1	0	0
Total[4]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971[5]															
Meat (including pork fat cuts), poultry, and fish	21.1	42.0	36.0	0.1	3.7	26.7	31.4	14.1	23.8	31.2	25.9	47.7	47.6	70.4	1.1
Eggs	2.2	5.8	3.2	.1	2.6	6.0	6.0	1.4	6.8	2.5	5.8	.1	2.2	9.2	0
Dairy products, excluding butter	11.2	22.2	12.3	7.0	76.1	36.1	2.3	22.1	11.2	9.5	42.4	1.7	9.4	20.4	4.4
Fats and oils, including butter	17.7	.1	41.6	(2)	.4	.2	0	.4	8.5	0	0	0	.1	0	0
Citrus fruits	.8	.4	.1	1.8	.9	.7	.8	2.0	1.4	2.6	.5	.8	1.2	0	25.3
Other fruits	2.3	.6	.3	5.0	1.2	1.1	3.6	4.0	6.3	1.9	1.6	1.8	5.7	0	11.6
Potatoes and sweetpotatoes	2.8	2.4	.1	5.6	.9	4.0	4.7	7.4	5.0	6.6	1.8	7.5	12.1	0	20.3
Dark green and deep yellow vegetables	.2	.4	(2)	.5	1.5	.6	1.6	2.0	21.1	.8	1.1	.6	1.7	0	8.2
Other vegetables, including tomatoes	2.4	3.2	.4	4.7	4.8	4.8	9.2	10.3	15.4	6.9	4.5	6.0	9.2	0	29.1
Dry beans and peas, nuts, soya flour	2.8	4.7	3.5	1.9	2.5	5.4	5.9	10.4	(2)	5.1	1.7	6.7	3.9	0	(2)
Flour and cereal products	19.3	17.7	1.3	35.6	3.3	12.3	26.2	17.9	.4	32.8	14.1	22.2	6.8	0	0
Sugars and other sweeteners	16.4	(2)	0	37.2	1.1	.2	5.7		0	(2)	(2)	(2)	0	0	(2)
Coffee and cocoa[3]	.7	.4	1.2	.6	1.0	1.8	2.5	7.7	(2)	.1	.7	4.9	.1	0	0
Total[4]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Percentages were derived from nutrient data which include quantities of iron, thiamin, and riboflavin added to flour and cereal products; quantities of vitamin A value added to margarine and milk of all types; quantities of ascorbic acid added to fruit juices and drinks. [2] Less than 0.05 percent. [3] Chocolate liquor equivalentnt of cocoa beans. [4] Components may not add to total due to rounding. [5] Preliminary.

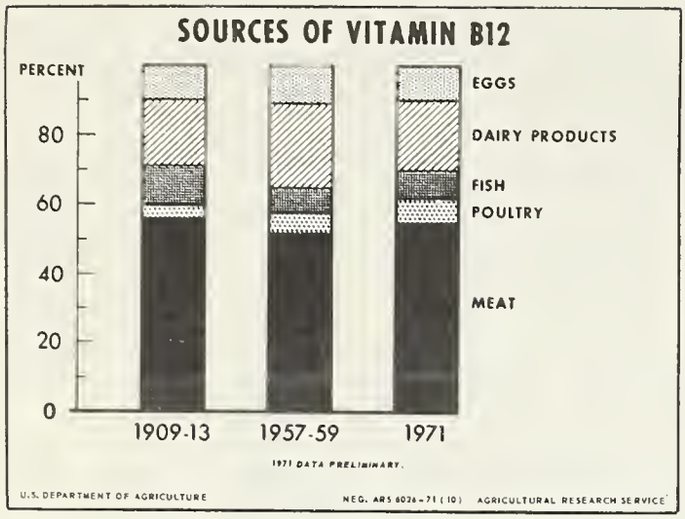

Figure 12

markedly to the increase in this vitamin. In 1947-49 beef provided 9 percent of the total and now, because of its increased use, it provides 14 percent. Although poultry is not as large a contributor of vitamin B_{12} as beef, the percentage it contributes has more than doubled since 1909-13. Edible offal is the largest single contributor of this vitamin, providing about one-third of the total supply.

The share of vitamin B_{12} supplied by dairy products has fluctuated only 5 percentage points since the beginning of the century. At that time dairy products provided 19 percent of the total vitamin B_{12} in the national diet, about the same as today but down sharply from the 24 percent in 1957-59.

Among the dairy products, fluid whole milk provided increased amounts of vitamin B_{12} between 1909-13 and the mid-1940's, but amounts decreased thereafter. Use of less evaporated and unsweetened condensed whole milk after the late 1940's resulted in less vitamin B_{12} from these foods. On the other hand, processed dairy products such as nonfat dry milk, ice cream and cheese have contributed more vitamin B_{12} in recent years than in the early 1900's.

At present, eggs contribute 9 percent of the vitamin B_{12}, down from the peak of 12 percent in 1947-49.

THE DOWNTREND IN U.S. COFFEE CONSUMPTION[1]

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Abstract: Per capita U.S. coffee consumption declined from 17.6 pounds (green bean basis) in 1949 to 15.3 pounds in 1955, and after some recovery to 16.0 pounds in 1959, further declined to 13.6 pounds in 1970. Changes in coffee prices at retail apparently explain only part of the downtrend. Rising consumer incomes also have had little effect on per capita coffee consumption. An increase in cup-yield (average number of 6-oz. cups brewed per pound of green beans) explains much of the downtrend in the early 1950's on a green bean basis. Since 1962 the cup yield has remained about unchanged. Declines in consumption were much greater among younger people, primarily because they are drinking more soft drinks. The decline in per capita consumption from the peak in 1962 may be related to rising imports of lower-priced robusta type coffees, exceeding the total required in domestic production of instant coffee; the excess was used in regular coffee.

Key Words: Coffee, consumption, demand and elasticity, prices, trends, time series analyses.

The 25 percent decline in per capita coffee consumption over the past 2 decades has caused much concern in the U.S. coffee industry. Consumption totaled 17.6 pounds (green bean basis) in 1949, declining to 15.3 pounds in 1955 and after some recovery to 16 pounds in 1959 declined further to 13.6 pounds in 1970 (table 17, fig. 13).[2]

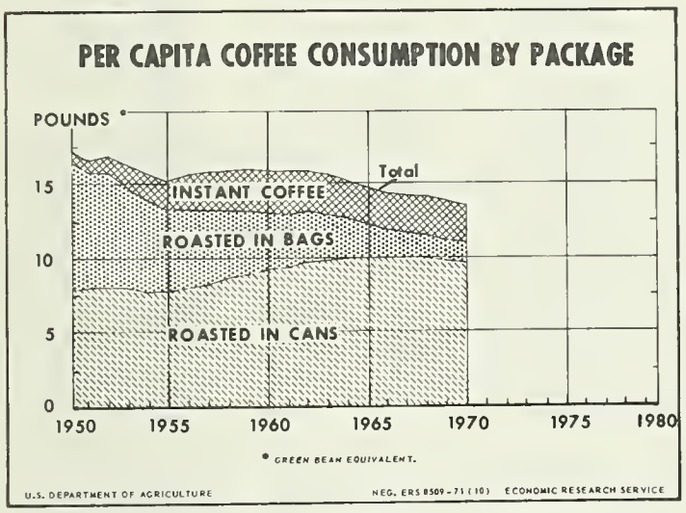

Figure 13

Significant changes have also occurred in the composition of U.S. coffee imports. Robusta coffee and "other milds" have become relatively more important, while the proportions of Brazilian and Colombian coffees have declined (fig. 14).

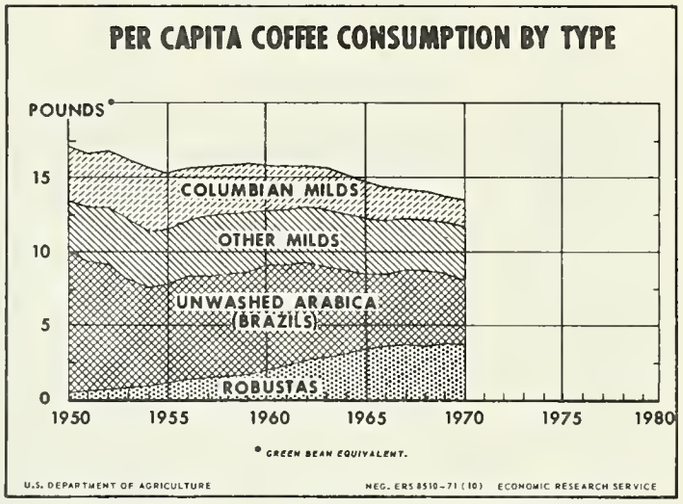

Figure 14

The changes in coffee consumption and the changes in the importance of different types are related to several factors. Prices, cup yield, instant coffee, composition of population, and competing beverages have all played a role in the long term downtrend.

Kinds and Sources of Coffee

There are two important commercial species of coffee—arabica and canephora; the latter is commonly called robusta. Arabica coffee is further designated as unwashed (Brazilian) and washed. Colombian milds and other milds are the 2 types of washed arabicas.

Robusta coffees are mostly grown in Africa and Asia. They have a somewhat stronger flavor, which is quite distinguishable from the arabica coffees, and they usually are lower priced. Imports of robusta coffee accounted for 28 percent of U.S. imports in 1970, up from 3 percent in 1950 (table 18). Much of the rise in robusta coffee imports is explained by its use in instant coffee.

[1] This article deals mostly with U.S. consumption. For an economic analysis of the world coffee situation see J. Phillip Rourk, "World Coffee Prospects in 1970's: Brazilian Production is the Key," *Foreign Agriculture,* For. Agri. Ser., U.S. Dept. of Agr., Vol. VIII, No. 37, Sept. 13, 1971, pp. 4-6 and 16.

[2] Coffee consumption data referred to in this study is based on the total U.S. civilian population, to make this data comparable with other ERS consumption series. Inclusion of those under 10 years old, who only consume negligible amounts, reduces the per capita consumption level by approximately one-fifth, but has little effect on overall trend.

Table 17.--Relation of age to per capita coffee consumption, United States, 1949-70

Age group	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
	6-oz. cups, per person per day 1/																					
Under 10	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10 to 14	0.16	0.16	0.16	0.16	0.16	0.17	0.16	0.14	0.16	0.14	0.14	0.14	0.13	0.14	0.14	0.12	0.09	0.13	0.14	0.10	0.09	0.11
15 to 19	.91	.90	.90	.88	.87	.84	.83	.87	.86	.88	.85	.77	.80	.77	.63	.58	.69	.72	.59	.60	.64	.63
20 to 24	1.89	1.87	1.91	1.94	1.99	2.03	2.09	2.07	2.18	2.27	2.16	2.20	2.32	2.22	1.97	1.85	1.85	1.78	1.78	1.73	1.56	1.49
70 and older	1.60	1.62	1.67	1.68	1.72	1.74	1.68	1.70	1.78	1.79	1.80	1.84	1.88	1.88	1.92	1.94	2.02	2.05	1.95	1.92	1.93	1.95
Average	.65	.64	.64	.63	.63	.62	.61	.60	.62	.64	.62	.62	.64	.64	.60	.58	.61	.63	.61	.60	.60	.60
25 to 29	2.25	2.22	2.39	2.40	2.42	2.53	2.56	2.64	2.80	2.81	2.87	2.78	2.87	2.99	2.91	2.75	2.69	2.65	2.51	2.45	2.31	2.19
30 to 39	2.44	2.50	2.58	2.56	2.64	2.72	2.75	2.81	3.03	3.21	3.08	3.11	3.41	3.47	3.35	3.20	3.25	3.26	3.21	3.21	3.04	2.95
40 to 49	2.41	2.42	2.51	2.59	2.63	2.64	2.70	2.83	2.96	3.07	3.02	3.08	3.35	3.41	3.38	3.33	3.24	3.39	3.38	3.26	3.25	3.21
50 to 59	2.31	2.24	2.25	2.33	2.36	2.36	2.38	2.42	2.53	2.69	2.68	2.71	2.93	2.97	2.92	2.83	2.91	2.99	2.95	2.99	3.03	3.06
60 to 69	1.94	1.97	2.03	2.04	2.08	2.10	2.10	2.12	2.16	2.18	2.20	2.30	2.36	2.42	2.45	2.36	2.39	2.48	2.49	2.42	2.38	2.42
Average	2.31	2.32	2.40	2.43	2.47	2.52	2.55	2.62	2.76	2.87	2.83	2.86	3.07	3.14	3.08	2.97	2.97	3.04	3.00	2.95	2.89	2.85
U.S. average	1.91	1.92	1.97	1.99	2.02	2.04	2.08	2.10	2.19	2.25	2.20	2.21	2.34	2.36	2.28	2.19	2.19	2.22	2.17	2.13	2.08	2.04
	Pounds, per person per year (green bean basis)																					
Under 10	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
10 to 14	1.5	1.4	1.3	1.4	1.3	1.3	1.2	1.0	1.2	1.0	1.0	1.0	.9	.9	1.0	.8	.6	.8	.9	.7	.6	.7
15 to 19	8.4	8.0	7.6	7.4	7.0	6.4	6.2	6.5	6.2	6.2	6.2	5.5	5.4	5.2	4.3	4.0	4.6	4.7	3.9	4.0	4.3	4.2
20 to 24	17.4	16.7	16.1	16.4	16.0	15.5	15.5	15.4	15.7	16.0	15.7	15.8	15.8	15.0	13.5	12.8	12.4	11.5	11.7	11.5	10.4	9.9
70 and older	14.7	14.4	14.1	14.2	13.8	13.3	12.5	12.6	12.8	12.6	13.1	13.2	12.8	12.7	13.1	13.4	13.6	13.3	12.9	12.8	12.9	13.0
Average	6.0	6.0	5.4	5.3	5.1	4.7	4.5	4.5	4.5	4.5	4.5	4.5	4.3	4.3	4.1	4.0	4.1	4.1	4.0	4.0	4.0	4.0
25 to 29	20.7	19.8	20.1	20.3	19.4	19.3	19.0	19.6	20.2	19.9	20.9	20.0	19.5	20.1	19.9	19.0	18.1	17.2	16.5	16.3	15.4	14.6
30 to 39	22.5	22.3	21.7	21.6	21.2	20.8	20.4	20.9	21.9	22.7	22.4	22.4	23.2	23.4	22.9	22.1	21.8	21.1	21.2	21.4	20.3	19.7
40 to 49	22.2	21.6	21.2	21.9	21.1	20.2	20.1	21.0	21.4	21.7	22.0	22.2	22.8	23.0	23.1	23.0	21.7	22.0	22.3	21.7	21.7	21.4
50 to 59	21.3	20.0	19.0	19.7	18.9	18.0	17.7	18.0	18.3	19.0	19.5	19.5	19.9	20.0	20.0	19.5	19.5	19.4	19.4	19.9	20.2	20.4
60 to 69	17.8	17.5	17.1	17.2	16.7	16.1	15.6	15.7	15.6	15.4	16.0	16.5	16.0	16.3	16.8	16.3	16.0	16.1	16.4	16.1	15.9	16.1
Average	21.3	20.7	20.2	22.5	19.8	19.3	18.9	19.5	19.9	20.3	20.6	20.6	20.9	21.2	21.1	20.5	19.9	19.7	19.8	19.7	19.3	19.0
U.S. average	17.6	17.1	16.6	16.8	16.2	15.6	15.3	15.6	15.8	15.9	16.0	15.9	15.9	15.9	15.6	15.1	14.7	14.4	14.3	14.2	13.9	13.6
	Age distribution, percent of total population																					
Under 25	41.5	41.5	41.7	41.9	42.1	42.3	42.6	42.9	43.4	43.8	44.3	44.7	45.1	45.6	46.0	46.3	46.1	46.7	46.7	46.5	46.4	46.3
25 and older	58.5	58.4	58.3	58.1	57.9	57.7	57.4	57.1	56.6	56.2	55.7	55.3	54.9	54.4	54.0	53.7	53.4	53.3	53.3	53.5	53.6	53.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 25 and over 69	46.3	46.4	46.6	46.9	47.2	47.6	47.9	48.4	48.8	49.4	49.9	50.4	51.0	51.5	51.9	52.3	52.7	52.8	52.9	52.7	52.7	52.6
25 to 60	53.7	53.6	53.4	53.1	52.8	52.4	52.1	51.6	51.2	50.6	50.1	49.6	49.0	48.5	48.1	47.7	47.3	47.2	47.1	47.3	47.3	47.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Cup consumption adapted from data reported by Pan American Coffee Bureau.
* Not reported but believed very small.

Table 18.--Distribution of coffee imports, by type, 1949-70 1/

Year	Colombian milds	Other milds	Unwashed Arabica	Robusta	Total
	Percent	Percent	Percent	Percent	Percent
1949	23.2	19.2	55.3	2.3	100.0
1950	21.7	20.0	55.3	3.0	100.0
1951	21.5	21.6	52.7	4.2	100.0
1952	23.1	22.2	50.1	4.6	100.0
1953	25.5	23.9	45.0	5.6	100.0
1954	26.7	25.2	41.8	6.3	100.0
1955	25.0	24.3	43.0	7.7	100.0
1956	22.5	24.0	44.6	8.9	100.0
1957	21.3	25.1	43.8	9.8	100.0
1958	21.2	25.2	43.5	10.1	100.0
1959	21.1	24.6	43.5	10.8	100.0
1960	20.4	22.8	44.3	12.5	100.0
1961	19.3	23.5	41.8	15.4	100.0
1962	18.4	23.4	41.1	17.1	100.0
1963	18.0	24.2	39.0	18.8	100.0
1964	17.3	25.2	36.8	20.7	100.0
1965	16.2	26.1	34.1	23.6	100.0
1966	15.1	26.1	33.8	25.0	100.0
1967	14.1	24.0	35.7	26.2	100.0
1968	14.0	24.4	35.8	25.8	100.0
1969	13.8	24.7	34.4	27.1	100.0
1970	14.4	25.5	32.6	27.5	100.0

1/ Based on 3-year moving average of data on green bean equivalent.

Unwashed Arabicas or Brazils come mostly from Brazil where they account for most of that country's production. Significant quantities are also imported from Ethiopia. The overall quality of Brazils is generally considered better than robustas, but slightly less than milds. Imports of unwashed arabicas (Brazils) accounted for 55 percent of U.S. coffee consumption in 1950 but only 33 percent in 1970.

Colombian milds are generally grown in Colombia but some also are grown in Kenya and Tanzania. They are considered the premium coffee and are frequently marketed to consumers as 100 percent Colombian coffee. Other milds are grown in Latin America outside Brazil and Colombia, and to a limited extent in certain other African and Asian countries. Brazil also produces some of this type. Imports of Colombian milds accounted for 14 percent of U.S. coffee consumption in 1970 down from a recent peak of 27 percent in 1954 (table 18). Conversely, imports of other milds accounted for 26 percent of U.S. consumption in 1970, up from 20 percent in 1950.

Coffee Prices

Price apparently has not played a major role in declining consumption since 1949. U.S. green coffee prices have tended to remain relatively low compared with prices of many other commodities, except for infrequent erratic upward spurts reflecting occasional short crops. Sharp price rises occurred in 1950, 1954, and 1970; significant price increases also occurred in 1951, 1956, and 1964 (table 19).

World and U.S. coffee prices are most influenced by changes in Brazilian coffee production for two reasons:

Table 19.--Coffee prices, 1949-70

Year	Wholesale (New York)--Green beans, per pound					Retail, per unit						
						Roasted			Instant			
	Colombian, Manizales	Mexican, washed	Brazilian, Santos No. 4	Robusta, Ambriz, No. BB	Index, 1962 =100	1-pound can	1-lb. bag	Index 1962 =100	6-oz. jar	Index, 1962 =100	Cup of coffee in eating and drinking places	
											6-oz. cup	Index, 1962=100
	Cents	Cents	Cents	Cents		Cents	Cents		Cents		Cents	
1949	37.3	36.9	31.8	25.0	93.6	55.4	---	83.4	---	---	7.1	73.2
1950	53.5	52.6	50.9	41.9	143.0	79.4	---	119.6	---	---	7.6	78.4
1951	58.9	57.3	54.3	48.0	154.7	81.8	---	130.6	---	---	8.1	83.5
1952	57.5	56.2	54.1	46.7	152.8	86.8	---	130.6	---	---	8.1	83.5
1953	60.2	57.7	58.5	49.7	163.0	89.2	---	133.9	---	---	8.5	87.6
1954	80.1	78.4	78.3	63.5	217.6	110.8	---	166.2	---	---	9.1	93.8
1955	64.2	60.1	57.0	45.7	164.3	93.0	---	139.5	---	---	9.4	96.9
1956	74.5	70.9	58.3	38.9	176.9	103.4	86.8	148.3	---	---	9.5	97.9
1957	64.9	60.9	57.3	40.7	165.5	101.7	83.7	144.8	---	---	9.7	100.0
1958	52.7	50.8	48.9	40.7	140.5	83.2	73.7	128.4	---	---	9.7	100.0
1959	45.6	43.2	37.6	31.1	115.5	78.0	59.2	107.7	---	---	9.7	100.0
1960	45.2	42.4	36.9	25.5	112.7	75.3	59.2	105.5	---	---	9.7	100.0
1961	43.9	39.3	36.3	20.2	105.4	73.6	58.6	103.6	93.1	102.5	9.7	100.0
1962	41.1	36.9	34.4	21.7	100.0	70.8	57.1	100.0	90.8	100.0	9.7	100.0
1963	39.9	36.5	34.6	28.8	101.3	69.4	56.8	98.3	92.2	101.5	10.0	103.1
1964	49.5	47.8	47.9	37.2	131.6	81.6	69.5	117.8	106.7	118.1	10.2	105.2
1965	48.8	45.7	45.1	32.0	125.8	83.3	71.1	120.3	95.2	105.5	10.4	107.2
1966	48.0	43.3	41.4	34.4	121.5	82.3	69.3	118.7	90.9	101.1	10.6	109.3
1967	42.5	39.9	38.4	34.3	112.1	76.9	64.7	112.2	87.9	100.0	10.6	109.3
1968	43.2	39.9	37.7	34.7	111.8	76.4	62.6	110.9	89.4	101.8	11.1	114.4
1969	45.0	40.5	40.8	33.5	117.2	76.5	63.7	111.1	93.4	106.6	12.6	129.9
1970	57.2	52.6	55.7	42.0	154.3	91.1	77.4	133.6	104.7	119.4	13.3	137.1

Source: Price per 6-oz. cup of coffee from Pan American Coffee Bureau; all other data from BLS.

(1) though down from earlier levels, Brazil still produces about 30 percent of the world's coffee, and (2) killing frosts which can severely cut production occur more frequently in Brazil than in other major coffee producing areas [(*10*), p. 5].

Green coffee prices reflect not only the overall supply-demand situation for coffee, but also the supply-demand situation for each type. For example, the Brazilian coffee price rise in 1970 was due mainly to a very short crop. Despite the price increases, the impact on prices was cushioned some because Brazil had more than enough stocks to meet its international commitments. The short Brazilian crop also affected prices of other coffees, to a lesser extent (fig. 15).

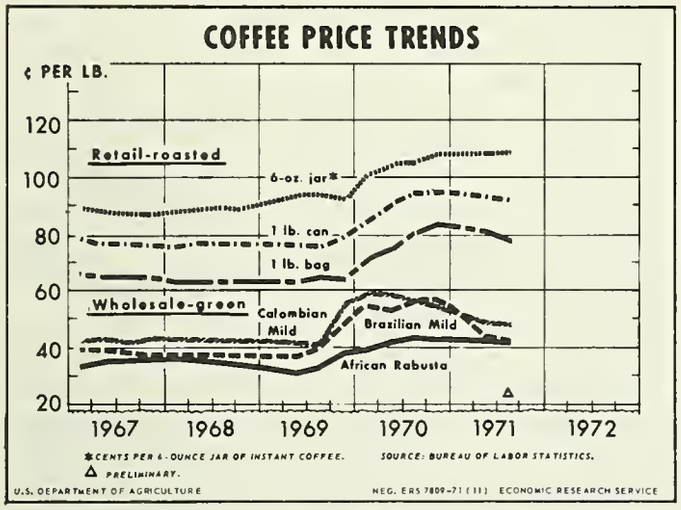

Figure 15

U.S. retail coffee prices tend to lag changes in wholesale prices by 6 to 9 months. And, while wholesale prices can change sharply in a month or two, retail price changes tend to be smaller and spread out over more months. Moreover, while increases in wholesale prices may be fully reversed when world supplies become adequate, U.S. retail coffee prices in recent years have not declined as much as they had previously increased. The resulting upward drift reflects rising processing and distribution charges.

Retail prices of instant coffee have been even less flexible. This resistance to sharp changes seems to exist when wholesale prices are advancing as well as when they decline.

The effect of coffee prices on changes in coffee consumption has been measured in several previous studies. Lovasy obtained a price elasticity of -0.26 for the period 1920-40, while Daly obtained -0.258 for the period 1922-41 [(*3*) p. 17; (*2*) p. 621].[3]

[3]The elasticity of demand with respect to price is the percentage change in coffee consumption associated with a 1 percent change in its price. The elasticity of demand with respect to income is the percentage change in coffee consumption associated with a 1 percent change in consumer income. When the elasticity is greater than 1.0 (disregarding the sign) the demand is said to be elastic. Conversely, an elasticity of less than 1.0 means demand is inelastic.

Since World War II, the price elasticity of demand for coffee in the United States has become even more inelastic. Lovasy reported -0.13 for the period 1950-65, and -0.14 for 1953-65 [(*3*) p. 17]. Hughes made several estimates for the period 1947-66, ranging from -0.113 to -0.163, and averaging -0.140 [(*5*) p. 913]. With price elasticities this low fairly large changes in coffee prices have only a limited effect on U.S. consumption and explain only a small part of the decline in U.S. coffee consumption since 1949.

Income

Changes in per capita disposable income seem to have even less effect on coffee consumption than do prices (table 20).

A review of income relationships from several studies indicates little economic relationship between consumer incomes and the decline in U.S. coffee consumption. The estimated negative relationships reported for recent years suggest that factors other than income may be more important in explaining the downtrend.

Cup-yields

The effect of changes in cup-yield on coffee consumption appears important during part of the 1949-70 period. Prior to 1950, the cup-yield for regular coffee was less than 40 cups per pound (table 21)[4]. By 1957 the yield was up about 10 cups per pound. There has been little if any systematic increase since 1957. Thus, the cup-yield for regular coffee does not appear to explain any of the decline in per capita coffee consumption on a green bean basis in the 1960's.

The cup-yield for instant coffee has continued to increase, rising from 57 cups per pound (green bean

Year	Green beans per pound of instant
	Pounds
1950-52	3.60
1953-54	3.45
1955-56	3.33
1957-58	3.23
1959-60	3.12
1961	3.00
1962	2.94
1963	2.86
1964	2.78
1965-70	2.70

Source: Adapted from data published by Pan American Coffee Bureau.

[4]The cup-yield is the average number of 6-oz. cups of liquid coffee obtained from a pound of green beans.

basis) in 1953 to 67 cups in 1962 and 76 cups in 1970. Much of this gain reflects a decline in the amount of green coffee needed to produce a pound of instant coffee.

However, the extraction rate has remained approximately stable since 1965, while the cup-yield rate has continued to increase. This indicates that consumers now use less instant coffee per cup than formerly.

The overall cup-yield of coffee (weighted average of regular and instant coffee) increased from 41 cups in 1950 to 54 cups in 1962, a one-third increase (table 21). However, since then, the leveling off of cup-yield of regular coffee has limited the increase in overall cup-yield. The increased importance of instant also has helped boost the cup-yield for all coffee. Instant coffee currently accounts for 18 percent of total coffee consumption compared with 18 percent in 1962 and 4 percent in 1950.

The increasing cup rate in the 1950's helps explain why per capita U.S. coffee consumption on a green bean basis declined 10 percent from 1949 to 1960-62, while on a cup basis it increased 24 percent, to 2.36 cups per person per day.

Age and Coffee Consumption

The age distribution of the population may have affected coffee consumption in two ways. The younger age groups and those over 70 years old consume proportionately less coffee. Also the downtrend in coffee consumption has been greatest among younger persons.

The share of U.S. population in the younger age groups (less than 25) increased from 42 percent in 1949 to 44 percent in 1960 (table 17). If persons over 70 years old are included, the proportion of under-average coffee drinkers went from 46 to 50 percent. This share of people who drink less coffee peaked in 1967 at 53 percent.

This shift in the importance of under-average coffee drinkers in the population accounts for a 6 percent decline in per capita coffee consumption (green bean basis) from 1949 through 1970. This was about one quarter of the total 23 percent decrease. Most of the impact of this factor on coffee consumption occurred in the 1950's.

Not only did the age distribution shift in favor of those drinking less coffee, but the average use by those groups decreased more than by people of other ages. Consider each individual age group to see in which year liquid coffee consumption (6-oz. cups per person per week) peaked and what the decline has been to 1970 (table 22).

Per capita consumption of the four largest coffee drinking age groups peaked in 1962 and has since declined; the rate of decline was greatest for the younger segments and least for the older segments. Moreover, consumption of the three youngest age groups all peaked before 1962, and the two oldest age groups peaked in 1966 and 1967. Thus, younger persons nowadays are drinking much less coffee than their counterparts used to, and they are drinking less than those in middle age groups. This is important in explaining the overall decline in coffee consumption since 1962.

Competing Beverages

The phenomenal rise in soft drink sales since 1960 has led many in the beverage industry to believe that declining coffee consumption is partially related to increases in soft drink consumption (table 23). Although the rate of substitutability between the two is not precise, it is clear that more soft drinks are consumed by those in the younger generation, particularly those under 25 (table 24). Thereafter, soft drink consumption tends to fall as people become older.

To facilitate comparison with other beverage, coffee consumption is separated into two parts, regular and instant, and converted to gallons of liquid beverage. Annual per capita consumption of instant coffee increased from 2 gallons per person in 1950 to a peak of

Table 20.--Income elasticities for coffee

Author	Period	Reported income elasticity	Reference
Daly	1922-41	+0.226	(2) p. 62
Lovasy	1920-40	+0.234	(3) p. 5
Hiemstra	Spring 1955	+0.159	(4) p. 47
Hiemstra	Spring 1965	+0.006	(4) p. 47
Lovasy	1950-65	-0.31	(3) p. 51
Lovasy	1953-65	-0.34	(3) p. 51
Hughes	1947-66	-0.256	(5) p. 913

Table 21.--Estimated number of 6-oz. cups of coffee derived per pound of green coffee, 1949-70 1/ (3-year moving average)

Year	Regular roasted	Instant soluble	average
	No.	No.	No.
1949	38.1	---	39.5
1950	39.5	---	41.0
1951	41.8	---	43.4
1952	41.8	---	43.0
1953	44.6	57.0	45.7
1954	46.5	57.2	47.7
1955	48.0	57.8	49.3
1956	47.5	58.2	49.1
1957	49.3	56.6	50.5
1958	49.7	61.1	51.6
1959	48.4	58.5	50.2
1960	48.8	59.9	50.8
1961	51.3	65.5	53.9
1962	51.6	67.4	54.4
1963	50.3	67.7	53.2
1964	50.1	64.7	52.5
1965	51.6	69.5	54.6
1966	52.6	74.2	56.3
1967	51.5	74.8	55.6
1968	50.1	75.9	54.6
1969	50.1	74.7	54.7
1970	49.9	76.5	54.8

1/ Based on per capita consumption of coffee, green bean equivalent, reported by Economic Research Service and U.S. per capita consumption of liquid beverage coffee reported by Pan American Coffee Bureau. Data can be converted to 6-oz. cups per pound of roasted coffee by multiplying above estimates by 1.19.

about 9 gallons in 1970 (table 23). Per capita consumption of regular coffee, on the other hand, increased irregularly to a peak of 32 gallons in 1962, and then declined to 26 gallons in 1970.

Per capita consumption of soft drinks increased from 10 gallons in 1950 to 13 gallons in 1962, and 23 gallons in 1970. Part of the switch toward soft drinks apparently is related to large sales promotion budgets and widespread use of non-caloric sweeteners in soft drinks.

Recent trends in tea consumption, the nearest counterpart to coffee, seem to have had a mimimal impact on coffee sales. Per capita tea consumption increased from 6.0 gallons in 1950 to a high of 6.7 gallons in 1968. Per capita milk consumption declined from a peak of 40 gallons in 1952 to 34 gallons in 1970.

Coffee Flavor

One factor suggested by some persons in the industry for lower coffee consumption is the increasing use of robusta beans which have a technological advantage over arabica coffees in instant coffee blends. Moreover, in recent years, large amounts of robusta have been used in regular coffee, apparently because of its lower price.

Both Prosterman and Lovasy noted that imports of robusta coffee exceeded its use in instant coffee and substantial quantities were being used in regular coffee [(*8*) p. 15; (*3*) p. 35]. Abaelu and Mandersheid noticed the U.S. demand for robustas was quite strong, but assumed it was related to a roaster demand for use in instant coffee [(*1*) p. 241]. However per capita consumption of instant coffee leveled off in the 1960's, but robusta imports per capita continued to climb (table 25, figure 16). The greater quantities of robusta used in regular coffee and the implied change in coffee flavor are consistent with the decline in total consumption of coffee since 1962.

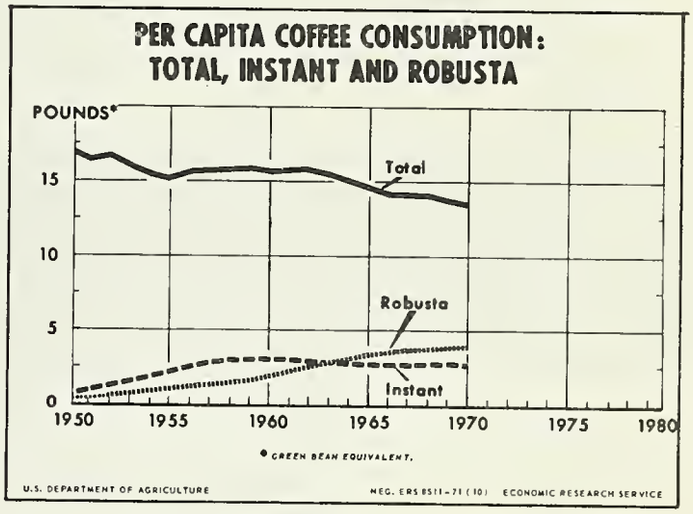

Figure 16

To test the hypothesis that the change in coffee flavor, associated with increased robusta use, was a factor in the decline of coffee consumption, the following regression equation was estimated for 1949-70.

$$Q = 26.8 - 0.185Y - 0.016P - 1.352I - 0.081C$$
$$(.146) \quad (.003) \quad (.214) \quad (.023)$$

$R^2 = .97$

Standard errors are in parantheses.

Q = annual per capita consumption of regular coffee, green bean basis, in pounds

Table 22.--Coffee consumption by age group

Age group	Peak		1970	Change from peak to 1970	
	Year	Quantity			
		6-oz. cups per person/day			Percent
10 to 14	1957	0.20	0.13	-0.07	-35
15 to 19	1958	1.12	.77	-.35	-31
20 to 24	1961	2.96	1.82	-1.14	-39
25 to 29	1962	3.82	2.68	-1.14	-30
30 to 39	1962	4.44	3.61	-.83	-19
40 to 49	1962	4.36	3.93	-.43	-10
50 to 59	1962	3.79	3.75	.04	1
60 to 69	1967	3.12	2.96	-.16	-5
70 and over	1966	2.58	2.39	-.19	-7
Average	1962	3.02	2.50	-.52	-17

Source: Data adapted from data reported by Pan American Coffee Bureau.

Y = share of U.S. population under age 25; percent

P = retail price of roasted coffee, BLS; index (1967=100)

I = per capita consumption of instant coffee, green bean basis, pounds

C = estimated robusta coffee use in regular coffee; percent

Income was not included in this equation because recent studies have shown income coefficients close to zero or negative. The share of young persons reflects the impact of changes in the population mix. Consumption of instant coffee accounts for the substitution between regular and instant coffee. The percentage of robusta coffee in regular coffee is used as an indicator of coffee flavor.

All of these variables were expected to have a negative influence on the consumption of coffee, as the coefficients in the equation indicate. All of the coefficients except the one for age are significantly different from zero. From this equation it appears that the increased use of robusta in regular coffee and the change in flavor has been a factor in declining consumption. However, a precise measure of the impact of flavor changes on coffee consumption requires a more complex and refined model.

The estimated price elasticity implied by the price coefficient was -0.14 at the mean. However, this is only an approximation because other factors acting simultaneously need to be considered in obtaining a precise estimate. Even so, this estimate of the price elasticity is roughly consistent with findings in other studies.

Table 23.--Per capita consumption of four major beverages, 1949-70

Year	Coffee 1/			Tea 2/	Soft drinks 3/	Milk 4/	Total
	Regular	Instant	Total				
	Gallons						
1949	30.6	2.1	32.7	5.8	10.1	39.8	88.4
1950	30.5	2.4	32.9	6.0	9.9	39.7	88.5
1951	30.8	2.9	33.7	5.9	10.2	40.2	90.0
1952	30.8	3.3	34.1	6.0	10.9	40.5	91.5
1953	30.8	3.8	34.6	6.1	11.1	40.0	91.8
1954	30.5	4.4	34.9	6.2	10.9	39.5	91.5
1955	29.8	5.5	35.3	6.0	11.5	40.0	92.8
1956	29.6	6.3	35.9	5.7	11.8	40.2	93.6
1957	30.6	6.8	37.4	5.6	11.8	39.7	94.5
1958	30.8	7.7	38.5	5.6	11.6	39.1	94.8
1959	29.9	7.7	37.6	5.7	12.5	38.4	94.2
1960	29.9	7.9	37.8	5.8	12.0	37.3	92.9
1961	31.3	8.7	40.0	5.9	12.4	36.5	94.8
1962	31.7	8.7	40.4	6.1	13.3	36.3	96.1
1963	30.6	8.4	39.0	6.2	14.2	36.4	95.8
1964	29.6	7.7	37.3	6.3	15.2	36.3	95.1
1965	29.4	8.0	37.4	6.2	16.2	36.2	96.0
1966	29.4	8.6	38.0	6.4	17.9	36.2	98.5
1967	28.6	8.6	37.2	6.5	18.6	35.2	97.5
1968	27.4	9.1	36.5	6.7	20.7	35.3	99.2
1969	26.5	9.1	35.6	6.6	21.5	35.0	98.7
1970	26.0	8.9	34.9	6.5	22.7	34.0	98.1

1/ Liquid beverage derived from per capita consumption, green bean basis and cup-yield rates in tables 17 and 21. 2/ Assumes 1 pound of tea, leaf basis, yields 200 6-oz. cups. 3/ Data from National Soft Drink Association. 4/ All uses of fresh fluid milks.

Table 24.--Consumers reporting use of four major beverages, by age group, 1970 1/

Age group	Coffee	Milk, including milk drinks	Soft drinks	Tea
	(Percent of persons)			
10-14	9.4	91.5	51.7	18.3
15-19	29.9	78.0	72.2	21.5
20-24	55.9	58.0	69.4	27.0
25-29	69.6	54.1	57.8	30.6
30-39	82.0	45.2	43.5	27.6
40-49	88.4	35.9	30.6	26.2
50-59	90.7	35.5	29.7	27.2
60-69	88.0	32.8	20.2	31.0
70 and over	88.2	31.5	14.5	34.5
Average	67.6	51.2	42.7	26.6

1/ Percentages add to more than 100 percent, because some people used more than one beverage. Source: Pan American Coffee Bureau, Coffee Drinking in the United States: Winter 1970.

Table 25.--Relation of robusta imports to instant coffee roastings, green bean basis, 1949-70

Year	Robusta imports 1/	Instant coffee roastings	Difference 2/
	Mil. lb.	Mil. lb.	Mil. lb.
1949	61	58	+ 3
1950	80	94	- 14
1951	109	133	- 24
1952	125	175	- 50
1953	145	221	- 76
1954	161	271	-110
1955	197	307	-110
1956	243	415	-172
1957	271	441	-170
1958	289	462	-173
1959	314	495	-181
1960	388	529	-141
1961	481	530	- 49
1962	547	540	+ 7
1963	593	520	+ 73
1964	625	499	+126
1965	696	499	+197
1966	726	466	+260
1967	807	423	+384
1968	775	442	+333
1969	788	463	+325
1970	800	436	+364

1/ 3-year moving average, centered.
2/ Negatives indicate maximum level of milder-flavored coffees used in instant coffee; positives signify minimum quantities of robusta used in roasted coffee.

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(8) Prosterman, Albert M., "Overview: the Outlook for Robustas," *World Tea and Coffee.* Vol. 7, No. 2, July 1966, pp. 15 and 18.

Table 26.—Wholesale food price indexes and Wholesale Price Index, selected periods[1]
(1967=100)

Year and month	Farm Products			Processed foods and feeds														
				Meats														
	Eggs	Fresh and dried fruits and vegetables[2]	Total[3]	Beef and veal	Pork	Total	Poultry	Fish	Dairy	Processed fruits and vegetables[2]	Vegetable oil end products	Cereal and bakery products	Sugar and confectionery	Beverages[4]	Total[5]	All food[6]	Industrial commodities[7]	All commodities
1957-59	118.6	98.4	100.3	94.5	95.1	94.9	116.3	79.8	82.0	93.3	98.0	85.4	88.5	93.9	89.5	92.1	94.1	94.3
1960	122.4	99.0	97.2	95.1	86.6	91.8	116.2	81.4	86.1	92.8	88.7	88.1	90.1	92.8	89.5	92.1	95.3	94.9
1966	128.0	100.9	105.9	98.4	111.8	104.3	113.1	101.5	97.2	97.8	102.5	98.5	97.8	99.3	101.2	101.9	98.5	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	111.4	106.6	102.5	104.2	98.5	102.2	105.8	108.1	104.8	106.5	98.1	100.9	102.8	102.8	102.2	103.4	102.5	102.5
1969	133.9	109.3	108.8	112.9	110.8	113.3	113.6	118.6	108.2	107.9	101.5	102.6	109.4	106.0	107.3	109.6	106.0	106.5
1970	126.8	111.6	111.0	114.5	111.7	115.0	113.3	125.1	111.2	110.4	111.8	107.6	115.9	112.9	112.0	113.5	110.0	110.4
January	180.5	114.8	112.8	112.9	123.9	118.5	124.2	126.6	109.8	109.0	105.4	104.4	114.2	110.2	112.0	115.1	108.3	109.3
February	162.4	115.4	114.0	111.7	121.9	118.1	117.3	127.7	110.0	109.4	105.4	105.3	113.0	111.1	112.1	114.6	108.7	109.7
March	142.5	116.3	114.6	118.3	119.6	120.7	121.7	124.3	109.2	108.7	110.2	105.6	112.7	111.2	111.8	115.0	108.9	109.9
April	112.6	110.9	111.6	119.8	112.9	119.1	115.0	123.1	110.8	109.6	111.4	106.4	113.9	111.5	111.8	113.4	109.3	109.9
May	94.5	121.6	111.3	115.3	112.9	116.4	115.6	120.6	111.1	110.2	110.9	106.4	114.5	113.0	111.1	113.1	109.7	110.1
June	101.2	120.3	111.6	115.6	116.6	118.2	109.4	123.6	111.1	110.5	111.0	106.4	115.4	113.0	111.7	113.7	109.8	110.3
July	131.9	110.8	113.4	119.3	122.3	120.7	114.7	123.4	111.3	110.9	111.0	107.4	117.1	113.1	113.3	115.0	110.0	110.9
August	106.3	98.0	108.5	116.8	114.6	116.6	110.1	124.9	111.7	111.6	112.3	108.0	117.2	113.7	112.9	112.6	110.2	110.5
September	139.5	111.6	112.1	114.6	110.2	113.9	115.1	126.1	111.4	112.0	112.3	109.2	118.2	114.1	113.0	114.5	110.4	111.0
October	104.6	100.8	107.8	112.1	101.7	109.9	108.6	122.7	112.0	111.1	115.2	109.9	118.6	114.5	111.8	111.7	111.3	111.0
November	117.8	107.7	107.0	111.1	94.5	106.5	110.0	126.8	112.2	111.6	119.0	110.6	118.1	114.7	111.7	112.3	111.3	110.9
December	127.3	111.3	107.1	106.0	89.4	102.0	97.2	132.0	112.8	111.0	117.5	110.9	117.8	114.3	110.7	111.2	111.7	111.0
1971																		
January	113.3	115.7	108.9	113.3	92.6	105.9	110.1	130.0	112.8	111.2	119.4	111.0	118.6	115.0	111.8	112.4	112.2	111.8
February	97.6	118.3	113.9	122.2	102.4	113.6	112.7	132.6	112.3	111.5	119.4	111.1	118.3	115.2	113.3	114.2	112.5	112.8
March	101.2	125.3	113.0	122.1	92.4	110.9	111.8	130.9	115.0	111.9	119.4	111.5	119.2	115.3	113.7	115.0	112.8	113.0
April	104.4	120.8	113.0	124.4	91.0	111.5	110.7	132.3	115.5	113.0	119.4	111.5	118.6	115.6	113.5	114.7	113.3	113.3
May	92.4	127.5	114.0	128.0	96.3	115.1	112.0	132.4	116.2	114.0	118.5	111.5	119.2	115.7	114.5	116.0	113.7	113.8
June	98.0	136.1	116.0	124.4	97.7	114.1	118.7	137.1	116.1	115.4	118.5	111.5	119.0	115.7	114.9	117.0	113.9	114.3
July	89.4	109.3	113.4	122.9	106.1	116.0	129.7	138.9	116.2	115.9	122.8	111.5	119.4	115.9	116.0	115.8	114.5	114.6
August	110.1	115.9	113.2	124.5	102.6	115.5	113.7	141.7	115.4	116.2	124.6	111.4	120.5	116.1	115.4	116.6	115.1	114.9
September	107.8	103.6	110.5	125.9	101.1	115.5	114.7	138.4	115.4	115.7	123.3	111.3	119.8	116.0	114.6	115.1	115.0	114.5
	Seasonally adjusted																	
1971																		
January	105.6	114.0	109.0	---	---	---	---	---	113.0	111.0	119.2	---	118.1	---	111.5	---	---	---
February	95.9	115.4	113.4	---	---	---	---	---	112.8	111.4	118.9	---	118.7	---	113.2	---	---	---
March	100.8	121.7	112.0	---	---	---	---	---	116.3	112.0	118.7	---	120.0	---	114.3	---	---	---
April	117.6	120.6	113.6	---	---	---	---	---	115.8	113.1	118.8	---	119.6	---	114.3	---	---	---
May	119.2	114.9	112.4	---	---	---	---	---	116.1	114.0	118.4	---	119.7	---	115.0	---	---	---
June	116.4	130.4	114.3	---	---	---	---	---	115.6	115.3	118.7	---	119.4	---	114.1	---	---	---
July	86.8	107.2	111.0	---	---	---	---	---	115.9	115.7	123.8	---	118.6	---	114.5	---	---	---
August	116.8	124.4	114.2	---	---	---	---	---	115.1	116.4	125.5	---	120.0	---	114.8	---	---	---
September	90.4	111.8	110.9	---	---	---	---	---	115.2	116.3	124.4	---	119.3	---	114.0	---	---	---

[1] For earlier annual data (1957-59 reference base), see *Food Consumption, Prices and Expenditures,* Agricultural Economic Report No. 138, table 106. [2] Includes potatoes. [3] In addition to items listed separately, includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds, and other farm products such as coffee beans, cocoa beans and tobacco. [4] Includes alcoholic beverages. [5] Includes animal fats and oils, crude and refined vegetable oils, manufactured animal feed, and miscellaneous processed foods in addition to items listed separately. [6] All food includes all processed foods (omitting soft drinks, alcoholic beverages and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables from the farm products group. [7] Prior to 1967, includes manufactured animal feeds, soft drinks, and alcoholic beverages.

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Table 27.—Retail food price indexes and Consumer Price Index, selected periods[1] (1967=100)

Year and month	Food at home															Food away from home	All food	Consumer Price Index less food	Consumer Price Index
	Meats			Poultry[3]	Fish	Eggs	Dairy products[4]	Fats and oils[5]	Fruits and vegetables			Cereal and bakery products	Sugar and sweets	Beverages	Total				
	Beef and veal	Pork	Total[2]						Fresh	Processed	Total								
1957-59	88.4	87.1	87.9	112.5	82.1	113.1	85.7	93.9	80.5	91.6	85.1	84.4	87.2	100.9	89.0	77.1	86.8	85.6	86.1
1960	92.1	81.7	87.2	106.9	85.0	113.2	88.4	86.5	84.6	92.9	88.3	87.1	90.1	91.5	89.6	81.4	88.0	88.8	88.7
1966	99.4	109.0	102.6	106.7	96.7	119.6	95.8	99.7	99.7	100.6	100.1	97.7	97.0	100.9	100.3	95.1	99.1	96.7	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.1	100.2	102.3	103.1	101.6	107.8	103.3	97.7	109.4	105.6	107.9	100.4	103.4	101.9	103.2	105.2	103.6	104.4	104.2
1969	114.5	109.1	111.4	109.0	107.2	126.8	106.7	97.7	111.1	106.5	109.3	103.3	109.1	104.6	108.2	111.6	108.9	110.1	109.8
1970	119.5	115.9	117.6	108.4	118.0	125.6	111.8	104.7	116.3	109.2	113.4	108.9	115.1	117.4	113.7	119.9	114.9	116.7	116.3
January	116.9	118.1	116.8	111.9	112.5	161.8	110.0	99.8	114.2	107.2	111.4	105.9	111.7	110.1	112.7	116.2	113.5	113.3	113.3
February	117.6	119.5	117.7	111.5	113.5	159.5	110.4	100.3	116.3	107.4	112.7	106.6	112.1	111.7	113.4	116.9	114.1	113.9	113.9
March	118.1	120.1	118.4	110.1	114.8	138.7	110.9	100.8	117.2	107.4	113.3	107.2	113.1	113.4	113.4	117.6	114.2	114.6	114.5
April	120.7	118.4	119.2	109.2	115.8	117.2	111.0	102.6	119.1	108.1	114.6	107.7	113.8	115.0	113.4	118.8	114.6	115.4	115.2
May	120.2	117.4	118.6	109.2	116.8	110.5	111.3	104.6	121.9	108.3	116.4	108.0	114.9	116.2	113.8	119.4	114.9	116.0	115.7
June	119.6	117.1	118.2	109.6	117.6	104.0	111.6	105.1	125.4	108.6	118.6	108.2	115.3	117.6	114.0	119.8	115.2	116.5	116.3
July	120.8	117.5	118.8	109.7	117.7	119.1	111.9	105.7	122.4	109.1	117.0	108.7	115.7	118.8	114.6	120.5	115.8	117.0	116.7
August	121.3	118.4	119.3	107.5	118.6	116.7	112.1	106.1	118.7	109.2	114.9	109.8	116.1	119.5	114.5	121.0	115.9	117.2	116.9
September	121.0	116.5	118.4	105.5	119.9	126.8	112.5	106.4	112.5	110.0	111.5	110.2	116.5	120.5	114.2	121.5	115.7	118.0	117.5
October	120.6	113.2	117.1	105.4	121.4	120.2	113.1	107.3	109.7	110.7	110.0	111.0	116.8	121.4	113.8	121.9	115.5	118.9	118.1
November	119.3	108.8	115.1	103.3	122.8	112.1	113.5	108.3	108.0	111.4	109.4	111.2	117.2	121.9	113.0	122.5	114.9	119.6	118.5
December	118.4	105.1	113.4	107.9	124.4	119.5	113.6	109.9	109.4	112.2	110.6	111.6	117.8	121.8	113.4	122.8	115.3	120.2	119.1
1971																			
January	118.5	103.6	112.9	106.3	125.4	124.0	113.9	111.3	107.4	112.8	109.6	112.4	117.8	121.9	113.4	123.4	115.5	120.3	119.2
February	120.0	103.2	113.5	105.5	127.0	112.7	114.0	112.1	112.2	113.0	112.6	112.8	117.9	122.1	113.9	123.9	115.9	120.4	119.4
March	122.4	106.0	115.6	107.8	127.7	110.9	114.2	112.4	117.7	113.5	116.0	113.0	118.1	121.8	115.1	124.3	117.0	120.6	119.8
April	124.2	103.6	115.7	107.3	128.6	109.7	114.6	113.6	123.6	114.7	120.0	113.9	118.7	122.0	116.1	124.8	117.8	120.9	120.2
May	124.6	102.2	115.6	107.8	129.4	106.1	115.1	113.9	125.6	115.1	121.4	114.1	119.0	121.8	116.3	125.3	118.2	121.6	120.8
June	126.1	103.6	117.0	111.6	130.3	99.1	115.7	113.8	131.2	115.9	125.1	114.2	119.4	122.2	117.4	125.9	119.2	122.2	121.5
July	126.6	104.7	117.6	112.1	131.0	105.2	116.0	114.0	132.2	116.9	126.0	114.8	119.7	122.0	118.1	126.5	119.8	122.4	121.8
August	126.8	106.9	118.4	112.1	131.9	109.7	116.0	115.2	127.4	117.9	123.6	114.5	120.3	122.0	118.1	127.1	120.0	122.9	122.2
September	127.7	106.4	118.8	112.2	132.5	102.4	116.1	116.6	115.3	118.6	116.6	114.6	120.2	121.0	116.9	127.6	119.1	123.3	122.4
	Seasonally adjusted																		
1971																			
January	119.2	104.8	113.7	108.4	124.9	113.9	113.7	---	108.6	---	110.3	---	---	---	113.4	---	115.5	---	---
February	120.7	104.0	114.2	104.5	126.6	103.4	114.0	---	113.4	---	113.3	---	---	---	114.0	---	116.1	---	---
March	123.0	107.0	116.4	107.1	127.6	111.5	114.4	---	117.2	---	115.8	---	---	---	115.3	---	117.2	---	---
April	125.2	105.6	116.5	105.7	128.5	110.9	115.2	---	122.0	---	119.0	---	---	---	116.4	---	118.2	---	---
May	124.6	104.8	116.4	107.7	129.1	119.9	115.3	---	121.0	---	118.7	---	---	---	116.6	---	118.4	---	---
June	126.0	103.6	117.0	111.4	130.2	115.6	115.7	---	124.4	---	121.2	---	---	---	117.0	---	119.0	---	---
July	125.7	102.4	116.4	109.2	131.3	118.9	116.1	---	122.9	---	120.7	---	---	---	117.2	---	119.1	---	---
August	125.2	103.4	116.4	109.3	132.2	109.5	116.0	---	124.5	---	121.8	---	---	---	117.2	---	119.2	---	---
September	126.1	103.2	116.9	109.3	132.9	97.0	116.0	---	119.9	---	119.3	---	---	---	116.6	---	118.9	---	---

[1] For earlier annual data (1957-59 reference base), see *Food Consumption, Prices, and Expenditures,* Agricultural Economic Report No. 138, July 1968. [2] Beef, veal, lamb and mutton, pork, and processed meat. [3] Unadjusted index includes turkey beginning 1964; seasonally adjusted indexes are for frying chicken only. [4] Includes butter. [5] Excludes butter. After December 1963 computed by Economic Research Service using data for items additional to those in the CPI.

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The Supplement for 1970 to Agricultural Economic Report No. 138, Food Consumption, Prices, and Expenditures, may be obtained from the Division of Information, OMS, U.S. Department of Agriculture, Washington, D.C. 20250.

This publication revises and updates through 1970 the statistics and charts contained in the original bulletin. Most tables show data beginning 1960. They have reasonably complete footnotes, but omit detailed source notes and information which applies generally. A short text summarizes developments in 1970.

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